



April 8, 2003

ENGROSSED HOUSE BILL No. 2008

DIGEST OF HB 2008 (Updated April 3, 2003 6:40 PM - DI 44)

Citations Affected: IC 4-3; IC 4-4; IC 4-12; IC 4-23; IC 6-1.1; IC 6-2.5; IC 6-3.1; IC 6-6; IC 8-10; IC 36-7; noncode.

Synopsis: Economic development matters. Changes the membership of the Indiana economic development council. Creates the emerging technology grant fund and program. Specifies the purposes for which the rural development council may spend appropriations and creates an advisory board to make recommendations concerning those expenditures. Authorizes the designation of tax allocation projects in distressed counties. Creates a grant office within the department of commerce to work with federal agencies, state agencies, colleges and universities, and private sector entities to develop and receive research and development grants. Establishes a property tax deduction for manufacturers who purchase depreciable personal property used to manufacture recycled components composed of at least 15% coal combustion waste generated in Indiana. Establishes an income tax credit for manufacturers who manufacture recycled components consisting of at least 15% coal combustion waste generated in Indiana. Provides that a person is not required to register as a retail merchant or
(Continued next page)

Effective: January 1, 2003 (retroactive); upon passage; July 1, 2003; January 1, 2004.

**Crawford, Cochran, Hasler, Lytle,
Bosma**

(SENATE SPONSORS — BORST, SIMPSON, FORD, BRODEN)

January 23, 2003, read first time and referred to Committee on Rules and Legislative Procedures.

February 20, 2003, reassigned to Committee on Ways and Means.

February 25, 2003, amended, reported — Do Pass.

March 3, 2003, read second time, ordered engrossed.

March 4, 2003, engrossed. Read third time, recommitted to Committee of One, amended; passed. Yeas 90, nays 9.

March 5, 2003, re-engrossed.

SENATE ACTION

March 13, 2003, read first time and referred to Committee on Finance.

April 7, 2003, amended, reported favorably — Do Pass.

EH 2008—LS 6486/DI 13+



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to collect or remit the state sales or use tax in Indiana if the sole contact with Indiana is a contract with a call center in Indiana that provides telephone call services to the person. Exempts sales of certain energy efficient appliances from the state gross retail tax for sales occurring after June 30, 2003, and before January 1, 2008. Establishes a property tax deduction for 100% of the assessed value of aircraft owned or operated by certain air carriers or scheduled air taxi operators that have an Indiana corporate headquarters. Provides that those aircraft are subject to the aircraft excise tax. Provides tax credits for the production of biodiesel and the production and retail sale of blended biodiesel. Provides a tax credit for the production of ethanol in Indiana. Requires the public employees' retirement fund (PERF) and the teachers' retirement fund (TRF) to apply for a grant from a private foundation or other entity to develop a fellowship program to assist PERF and TRF in increasing venture capital investment opportunities in Indiana technology and advanced manufacturing companies. Extends the expiration date for the research expense tax credit. Specifies that a pass through entity is eligible for the venture capital investment tax credit for investments made in qualified Indiana businesses. Eliminates certain requirements that a business must meet in order to be certified as a qualified Indiana business. Sets forth procedures for the department of commerce to certify that a taxpayer is entitled to a venture capital investment tax credit. Provides that if a taxpayer carries over any credit amount to the succeeding year, the amount carried over does not count toward the \$10,000,000 in maximum allowable credits for the succeeding year. Authorizes the Indiana port commission to construct and finance: (1) maritime and nonmaritime port projects throughout Indiana for the transfer of goods and passengers between all modes of transportation; and (2) nonport projects to promote economic growth and development throughout Indiana. Specifies the powers of the commission with respect to these projects, including the conditions under which the commission may issue bonds. Creates a government efficiency commission. Makes appropriations for various purposes.

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April 8, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 2008

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) The articles of
3 incorporation or bylaws of the corporation, as appropriate, must
4 provide that:

5 (1) the exclusive purpose of the corporation is to contribute to the
6 strengthening of the economy of the state by:

7 (A) coordinating the activities of all parties having a role in the
8 state's economic development through evaluating, overseeing,
9 and appraising those activities on an ongoing basis;

10 (B) overseeing the implementation of the state's economic
11 development plan and monitoring the updates of that plan; and

12 (C) educating and assisting all parties involved in improving
13 the long range vitality of the state's economy;

14 (2) the board ~~must include~~:

15 ~~(A) the governor;~~

16 ~~(B) the lieutenant governor;~~

17 ~~(C) the chief operating officer of the corporation;~~

EH 2008—LS 6486/DI 13+



(D) the chief operating officer of the corporation for Indiana's international future; and

(E) additional persons appointed by the governor, who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana; is composed of the following twenty-one (21) members, none of whom may be members of the general assembly:

(A) Three (3) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

(B) Three (3) persons appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

(C) Two (2) persons appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(D) Two (2) persons appointed by the minority leader of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(E) Two (2) persons appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(F) Two (2) persons appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(G) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia, but may not

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represent organized labor.

(H) One (1) person appointed by the president of Purdue University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(I) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(J) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(K) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(L) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(M) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(3) The governor and lieutenant governor shall coordinate their appointments under subsection (a)(2)(A) and (a)(2)(B) so that those appointments include at least one (1) representative from each of the following industry sectors:

(A) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.

(B) Information technology, such as informatics, certified network administration, software development, or fiber optics.

(C) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.

(D) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.



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(E) Public utilities (as defined in IC 8-1-2-1).

(4) The terms of office of the members of the corporation are as follows:

(A) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the senate serve for terms of four (4) years.

(B) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

(5) The governor may designate a member of the board appointed by the governor under subsection (a)(2)(A) of this section to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

(6) Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

(7) Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

(8) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a)(9) and subsection(a)(10).

(3) the governor shall serve as chairman of the board of the corporation; and the lieutenant governor shall serve as the chief executive officer of the corporation;

(4) (9) the governor shall appoint as vice chairman of the board a member of the board engaged in private enterprise; the board shall elect an executive director of the corporation;

(5) (10) the lieutenant governor executive director of the corporation shall be responsible as chief executive officer for overseeing implementation of the state's economic development plan as articulated by the corporation board and shall oversee the activities of the corporation's chief operating officer corporation;



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(6) the governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);

(7) (11) the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;

(8) (12) any amendments to the articles of incorporation or bylaws of the corporation must be approved by the ~~governor~~; **board**;

(9) (13) the corporation shall submit an annual report to the governor, **lieutenant governor** and to the Indiana general assembly on or before the first day of November for each year;

(10) (14) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(11) (15) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

(c) Employees of the corporation are not employees of the state.

(d) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(e) The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter. The corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

SECTION 2. IC 4-4-5.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 5.2. Emerging Technology Grant Fund



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1 Sec. 1. As used in this chapter, "board" refers to the Indiana
2 twenty-first century research and technology fund board
3 established by IC 4-4-5.1-6.

4 Sec. 2. As used in this chapter, "fund" means the emerging
5 technology grant fund established by section 5 of this chapter.

6 Sec. 3. As used in this chapter, "small business" means a
7 business that satisfies all the following:

8 (1) The business is independently owned and operated.

9 (2) The business's principal office is located in Indiana.

10 (3) The business satisfies either of the following:

11 (A) The business has:

12 (i) not more than one hundred (100) employees; and

13 (ii) average annual gross receipts of not more than ten
14 million dollars (\$10,000,000) for the two (2) calendar
15 years preceding the calendar year during which the
16 business applies for a grant under this chapter.

17 (B) If the business is a manufacturing business, the
18 business does not have more than one hundred (100)
19 employees.

20 Sec. 4. As used in this chapter, "small technology based
21 business" means a small business engaged in any of the following:

22 (1) Life sciences.

23 (2) Information technology.

24 (3) Advanced manufacturing.

25 (4) Logistics.

26 Sec. 5. (a) The emerging technology grant fund is established to
27 provide grants to:

28 (1) small technology based businesses; and

29 (2) other businesses, to the extent permitted by section 9 of
30 this chapter;

31 to match federal grants or other grants or financial assistance that
32 are to be used to accelerate commercialization of emerging
33 technologies.

34 (b) The fund consists of appropriations from the general
35 assembly and gifts and grants to the fund.

36 (c) The treasurer of state shall invest the money in the fund not
37 currently needed to meet the obligations of the fund in the same
38 manner as other public funds may be invested.

39 (d) The money in the fund at the end of a state fiscal year does
40 not revert to the state general fund but remains in the fund to be
41 used exclusively for purposes of this chapter.

42 Sec. 6. The purpose of the grant program is to do the following:

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(1) Assist Indiana businesses to compete nationally for research and development awards from the federal government and other sources.

(2) Provide matching grants that focus on small technology based businesses in industry sectors vital to Indiana's economic growth.

Sec. 7. (a) The board shall administer the grant program under this chapter.

(b) The board shall award grants to support projects that leverage private sector, federal, and state resources to create new commercial products or services that will enhance economic growth and job creation in Indiana.

(c) The board may award grants only to businesses that also receive grants or other forms of financial assistance from other sources.

(d) In awarding grants, the board shall give preference to proposals from businesses that include other Indiana based organizations.

(e) The board shall consider the following when making grants under this chapter:

(1) Whether the grant will increase the viability of the applicant's project.

(2) Whether the grant will attract additional money for research, development, and commercialization from the federal government and other sources.

(3) Whether the grant will assist in accelerating the introduction of technology based products in the market.

(4) Whether the grant will produce additional technology based jobs in Indiana.

(5) Other factors the board considers relevant.

(f) An applicant for a grant under this chapter must be in the process of applying for, have applied for, or have received a grant or other form of financial assistance for the proposed project. If the applicant has already received a grant or other form of financial assistance for the proposed project, the start date of that grant or assistance must be after June 30, 2003.

(g) Any federal program or other program providing grants or other forms of financial assistance can serve as the basis for a grant under this chapter if all the following are satisfied:

(1) The applicant's proposal under the federal program or other program is a response to a nationally competitive solicitation.

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(2) The federal program or other program provides money to develop, revise, or commercialize a new technology.

(3) The federal program or other program accepts matching funds.

(4) The applicant's proposal under the federal program or other program includes the state as a potential funding source.

Sec. 8. Before July 1 of each year, the board shall establish and publish guidelines determining the following:

(1) Priority industries and technological areas for grants under this chapter.

(2) Matching levels for the different priorities established under subdivision (1). The matching level may not be more than one dollar (\$1) for each dollar received by an applicant under a federal program or from other sources that provide grants or other forms of financial assistance.

(3) The maximum dollar amount that may be awarded for a proposal. The maximum dollar amount may not exceed one hundred fifty thousand dollars (\$150,000) for each business for each proposal.

Sec. 9. The board shall adopt guidelines and a process to determine on a case by case basis the award of grants under this chapter to technology based businesses that are not small businesses. The guidelines for awards under this section must provide for fulfilling the purposes of this chapter.

SECTION 3. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4. (a)** Money appropriated to the council by the general assembly may be used for the following purposes:

(1) To create, assess, and assist a pilot project to enhance the economic and community development in a rural area.

(2) To establish a local revolving loan fund for an industrial, a commercial, an agricultural, or a tourist venture.

(3) To provide a loan for an economic development project in a rural area.

(4) To provide technical assistance to a rural organization.

(5) To assist in the development and creation of a rural cooperative.

(6) To address rural workforce development challenges.

(7) To assist in addressing telecommunications needs in a rural area.

(8) To carry out the responsibilities of the rural development



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advisory board.

(b) The council may not expend money appropriated to the council by the general assembly for a purpose described in subsection (a) unless the rural development administration advisory board established by section 5 of this chapter has recommended the expenditure.

SECTION 4. IC 4-4-9.5-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The rural development administration advisory board is established to make recommendations concerning expenditures described in section 4 of this chapter.

(b) The advisory board shall meet at least four (4) times per year and shall also meet at the call of the executive director of the rural development council.

(c) The advisory board consists of the following members:

(1) The executive director of the Indiana rural development council, who serves as an ex officio member and as the chairperson of the advisory board.

(2) Two (2) members of the senate, who may not be members of the same political party, and who are appointed by the president pro tempore of the senate.

(3) Two (2) members of the house of representatives, who may not be members of the same political party, and who are appointed by the speaker of the house of representatives.

(4) A representative of the commissioner of agriculture, to be appointed by the governor.

(5) A representative of the department of commerce, to be appointed by the governor.

(6) A representative of the department of workforce development, to be appointed by the governor.

(7) Two (2) persons with knowledge and experience in state and regional economic needs, to be appointed by the governor.

(8) A representative of a local rural economic development organization, to be appointed by the governor.

(9) A representative of a small town or rural community, to be appointed by the governor.

(10) A representative of the rural development council, to be appointed by the governor.

(11) A representative of rural education, to be appointed by the governor.

(12) A representative of the league of regional conservation



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and development districts, to be appointed by the governor.

(13) A person currently enrolled in rural secondary education, to be appointed by the governor.

(d) The members of the advisory board listed in subsection (c)(1) through (c)(3) are nonvoting members.

(e) The term of office of a legislative member of the advisory board is four (4) years. However, a legislative member of the advisory board ceases to be a member if the member:

(1) is no longer a member of the chamber from which the member was appointed; or

(2) is removed from the advisory board by the appointing authority who appointed the legislator.

(f) The term of office of a voting member of the advisory board is four (4) years. However, these members serve at the pleasure of the governor and may be removed for any reason.

(g) If a vacancy exists on the advisory board, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

(h) Six (6) voting members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least six (6) voting members is necessary for the advisory board to take action.

(i) Each member of the advisory board who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(j) Each member of the advisory board who is a state employee but who is not a member of the general assembly is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(k) Each member of the advisory board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem,



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1 mileage, and travel allowances paid under this subsection shall be
 2 paid from appropriations made to the legislative council or the
 3 legislative services agency.

4 SECTION 5. IC 4-4-10.9-1 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The definitions in
 6 this chapter apply throughout this chapter, ~~and~~ IC 4-4-11, and
 7 IC 4-4-31.

8 SECTION 6. IC 4-4-10.9-5.5 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2003]: Sec. 5.5. "Covered taxes" refers to
 11 any of the following:

12 (1) The state gross retail tax imposed under IC 6-2.5-2-1 or
 13 the use tax imposed under IC 6-2.5-3-2.

14 (2) The adjusted gross income tax imposed under IC 6-3-2-1.

15 SECTION 7. IC 4-4-10.9-6.1 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2003]: Sec. 6.1. "Distressed area" means a
 18 county in which:

19 (1) the average annualized unemployment rate in each of the
 20 two (2) calendar years immediately preceding the current
 21 calendar year exceeded the statewide average annualized
 22 unemployment rate for each of the same calendar years by at
 23 least two percent (2%); or

24 (2) the average annualized unemployment rate in the
 25 immediately preceding calendar year was at least double the
 26 statewide average annualized unemployment rate for the
 27 same period;

28 as determined by the department of workforce development and
 29 published in the report required by IC 4-4-31-1.

30 SECTION 8. IC 4-4-10.9-6.2, AS AMENDED BY P.L.4-2002,
 31 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2003]: Sec. 6.2. (a) "Educational facility project" includes:

33 (1) the acquisition of land, site improvements, infrastructure
 34 improvements, buildings, or structures, the rehabilitation,
 35 renovation, and enlargement of buildings and structures,
 36 machinery, equipment, furnishings, or facilities (or any
 37 combination of these):

38 (A) comprising or being functionally related and subordinate
 39 to any aquaria, botanical societies, historical societies,
 40 libraries, museums, performing arts associations or societies,
 41 scientific societies, zoological societies, and independent
 42 elementary, secondary, or postsecondary schools (or any

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combination of these) that engages in the cultural, intellectual, scientific, educational, or artistic enrichment of the people of the state the development or expansion of which serves the purposes set forth in IC 4-4-11-2;

(B) is not used or to be used primarily for sectarian instruction or study or as a place for devotional activities; and

(C) is not used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; or

(2) funding (including reimbursement or refinancing) by a nonprofit organization described in subsection (b) of:

(A) real property and improvements;

(B) personal property; or

(C) noncapital costs to fund a judgment, a settlement, or other cost or liability. ~~other than an ordinary and recurring operating cost or expenditure.~~

(b) For purposes of subsection (a)(2), a nonprofit organization must be:

(1) qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code; and

(2) have headquarters or a primary educational or exhibit facility located on property owned by or titled in the name of the state of Indiana or an agency, a commission, or an instrumentality of the state of Indiana that serves the purposes set forth in IC 4-4-11-2.

SECTION 9. IC 4-4-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 31. Funding of Industrial Development Projects in Distressed Counties

Sec. 1. After June 30 and before July 15 of each year, the department of workforce development shall provide the authority with a list of the counties that qualify as distressed areas as of the date of the report. A copy of the list also shall be distributed to the department of commerce for use under IC 4-4-20.

Sec. 2. (a) The authority may adopt a resolution designating an industrial development project as a tax allocation project if the industrial development project is located in an area that is designated in the latest report issued under section 1 of this chapter as a distressed area. The authority shall designate in the resolution the boundaries of the tax allocation project area. The resolution designating a tax allocation project must provide for:

(1) allocation of covered taxes attributable to a taxable event



1 or covered taxes earned in the tax allocation project area to
 2 an industrial development project area fund established for
 3 the industrial development project;

4 (2) use of money in the industrial development project area
 5 fund solely for payments related to bonds, loans, or leases
 6 issued under this article to pay for the costs of the project;
 7 and

8 (3) termination of the industrial development project area
 9 fund upon payment of all obligations described in subdivision
 10 (2).

11 (b) A resolution adopted under this section may not apply to an
 12 industrial development project that will result in the loss of
 13 employment in any part of Indiana.

14 (c) The authority shall incorporate the resolution adopted under
 15 this section into the financing agreement entered into between the
 16 developer of the industrial development project and the authority.

17 Sec. 3. Subject to the approval of the budget agency under
 18 section 4 of this chapter, a resolution adopted under section 2 of
 19 this chapter authorizes the allocation of the following covered taxes
 20 (in excess of the base allocation amount) to the industrial
 21 development project area fund for an industrial development
 22 project:

23 (1) Covered taxes incurred by a developer as a consequence of
 24 the development of the industrial development project,
 25 including gross retail taxes collectible by a retail merchant on
 26 goods or services provided to the developer for the industrial
 27 development project.

28 (2) Covered taxes that:

29 (A) are incurred by an individual or entity that leases,
 30 controls, uses, or operates in; and

31 (B) are attributable to a taxable event related to or earned
 32 through lease, control, use, or operations in;
 33 facilities developed through an industrial development
 34 project, including gross retail taxes collectible by a retail
 35 merchant on goods or services provided to the individual or
 36 entity.

37 (3) Covered taxes that:

38 (A) are incurred by an individual or entity that is a
 39 partner, shareholder, or member of an entity that leases,
 40 controls, uses, or operates in; and

41 (B) are attributable to a taxable event related to or earned
 42 through lease, control, use, or operations in;



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1 facilities developed through an industrial development
2 project.

3 (4) Four percent (4%) of covered taxes on wages or other
4 compensation earned by persons employed or providing
5 services at facilities financed through an industrial
6 development project, including services related to the
7 construction, reconstruction, improvement, or repair of the
8 facilities.

9 Sec. 4. (a) The authority shall provide the department of state
10 revenue, the auditor of state, and the budget agency with a copy of
11 any resolution adopted under section 2 of this chapter and the
12 related financing agreement.

13 (b) A resolution adopted under section 2 of this chapter is
14 subject to the approval of the budget agency. The budget agency
15 shall notify the authority, the department of state revenue, and the
16 auditor of state of its decision concerning the resolution.

17 (c) Upon receipt of notification that the budget agency has
18 approved the resolution:

19 (1) the auditor of state shall establish an industrial
20 development project area fund for the industrial development
21 project;

22 (2) the department of state revenue shall compute the base
23 allocation amount for the industrial development project
24 area;

25 (3) the department of state revenue shall annually deposit the
26 covered taxes subject to the resolution (to the extent that the
27 amount exceeds the base allocation amount) in the industrial
28 development project area fund for the industrial development
29 project; and

30 (4) the auditor of state shall make payments from the
31 industrial development project area fund in accordance with
32 the resolution and the financing agreement for the industrial
33 development project.

34 Sec. 5. The department of state revenue shall estimate the base
35 allocation amount from the data available to the department and
36 any other data supplied by the authority. The base allocation
37 amount is equal to the amount of covered taxes deposited from
38 taxable events occurring, or from wages or other compensation
39 earned, in the tax allocation project area in the calendar year
40 immediately preceding the calendar year in which the resolution is
41 adopted under section 2 of this chapter.

42 Sec. 6. An industrial development project area fund established

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under section 4 of this chapter shall be treated as a trust fund. Money in an industrial development project area fund is annually appropriated for purposes of the industrial development project for which it was created and may be used only for the purposes specified in the resolution and financing agreement for the industrial development project. Money in the industrial development project area fund at the end of a state fiscal year does not revert to the state general fund. However, unencumbered money remaining in an industrial development project area fund upon payment of all obligations for which the fund was created reverts to the state general fund.

Sec. 7. The department of state revenue may adopt rules under IC 4-22-2 and prescribe forms to carry out its responsibilities under this chapter, including the establishment of requirements concerning the filing of informational returns necessary to identify tax receipts that are to be deposited in an industrial development project area fund.

SECTION 10. IC 4-4-32 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 32. Grant Office

Sec. 1. As used in this chapter, "office" means the grant office established by section 3 of this chapter.

Sec. 2. As used in this chapter, "department" means the department of commerce established by IC 4-4-3-2.

Sec. 3. The grant office is established within the department to assist state agencies, public and private colleges and universities, private sector profit and nonprofit companies, and other entities within the state in researching and developing grants and funding sources from:

- (1) the federal government;
- (2) private foundations; or
- (3) any other source of funding.

Sec. 4. The office shall search all sources of research and development grants to identify available research or development grants and funds.

Sec. 5. The office shall establish and maintain a list of all:

- (1) Indiana state and local governmental entities;
- (2) public and private colleges and universities; and
- (3) private sector profit and nonprofit entities;

that might benefit from federal or private foundation research and development money.



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1 **Sec. 6. The office may assist possible recipients in preparing**
 2 **applications and all other documentation to aggressively seek**
 3 **funding for Indiana entities listed in section 5 of this chapter.**

4 **Sec. 7. The office may accept appropriations made by the**
 5 **general assembly, gifts, and donations from any other source to**
 6 **further the activities of the office.**

7 SECTION 11. IC 4-12-10-3, AS ADDED BY P.L.26-2001,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2003]: Sec. 3. (a) The Indiana economic development
 10 partnership fund is established to provide grants for economic
 11 development initiatives that support the following:

12 (1) The establishment of regional technology **and**
 13 **entrepreneurship** centers for the creation of high technology
 14 companies and for the support of workforce development.

15 (2) The providing of leadership and technical support necessary
 16 for the centers' start-up operations and long term success.

17 (3) The expansion of the Purdue Technical Assistance Program
 18 **to other higher education institutions** in ten (10) geographic
 19 regions of Indiana.

20 (4) The creation of a rural/community economic development
 21 regional outreach program by Purdue University.

22 (5) The expansion of workforce development for high technology
 23 business development through the centers.

24 (b) The fund shall be administered by the budget agency. The fund
 25 consists of appropriations from the general assembly and gifts and
 26 grants to the fund.

27 (c) The treasurer of state shall invest the money in the fund not
 28 currently needed to meet the obligations of the fund in the same
 29 manner as other public funds may be invested.

30 (d) The money in the fund at the end of a state fiscal year does not
 31 revert to the state general fund but remains in the fund to be used
 32 exclusively for the purposes of this chapter.

33 SECTION 12. IC 4-12-10-4, AS ADDED BY P.L.26-2001,
 34 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2003]: Sec. 4. (a) The budget agency, after review by the
 36 budget committee, shall **enter into an agreement with the**
 37 **department of commerce to** do the following:

38 (1) Review, prioritize, and approve or disapprove proposals for
 39 centers.

40 (2) Create detailed application procedures and selection criteria
 41 for center proposals. These criteria may include the following:

42 (A) Geographical proximity to and partnership agreement with

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- 1 an Indiana public or private university.
- 2 (B) Proposed local contributions to the center.
- 3 (C) Minimum standards and features for the physical facilities
- 4 of a center, including telecommunications infrastructure.
- 5 (D) The minimum support services, both technical and
- 6 financial, that must be provided by the centers.
- 7 (E) Guidelines for selecting entities that may participate in the
- 8 center.
- 9 (3) Develop performance measures and reporting requirements
- 10 for the centers.
- 11 (4) Monitor the effectiveness of each center and report its findings
- 12 to the governor, **the budget agency**, and the budget committee
- 13 before October 1 of each even-numbered year.
- 14 ~~(5) Contract with Purdue University for any staff support~~
- 15 ~~necessary for the budget agency to carry out this chapter.~~
- 16 ~~(6)~~ (5) Approve a regional technology center only if the center
- 17 agrees to do all of the following:
 - 18 (A) Nurture the development and expansion of high
 - 19 technology ventures that have the potential to become high
 - 20 growth businesses.
 - 21 (B) Increase high technology employment in Indiana.
 - 22 (C) Stimulate the flow of new venture capital necessary to
 - 23 support the growth of high technology businesses in Indiana.
 - 24 (D) Expand workforce education and training for highly
 - 25 skilled, high technology jobs.
 - 26 (E) Affiliate with an Indiana public or private university and
 - 27 be located in close proximity to a university campus.
 - 28 (F) Be a party to a written agreement among:
 - 29 (i) the affiliated university;
 - 30 (ii) the city or town in which the proposed center is located,
 - 31 or the county in which the proposed center is located if the
 - 32 center is not located in a city or town;
 - 33 (iii) Purdue University, for technical and personnel training
 - 34 support; and
 - 35 (iv) any other affiliated entities;
 - 36 that outlines the responsibilities of each party.
 - 37 (G) Establish a debt free physical structure designed to
 - 38 accommodate research and technology ventures.
 - 39 (H) Provide support services, including business planning,
 - 40 management recruitment, legal services, securing of seed
 - 41 capital marketing, and mentor identification.
 - 42 (I) Establish a commitment of local resources that is at least

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equal to the money provided from the fund for the physical facilities of the center.

(b) The ~~budget agency~~ **department of commerce** may not approve more than five (5) regional technology centers in any biennium.

(c) The budget agency may contract with Purdue University:

(1) for any support staff necessary for the budget agency to provide grants under section 3(a)(3) and 3(a)(4) of this chapter; and

(2) to provide services under section 7 of this chapter.

SECTION 13. IC 4-12-10-6, AS ADDED BY P.L.26-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If a center is approved by the ~~budget agency~~, **department of commerce**, the budget agency shall allocate from available appropriations the money authorized to:

(1) subsidize construction or rehabilitation of the physical facilities; and

(2) cover operating costs, not to exceed two hundred fifty thousand dollars (\$250,000) each year, until the center is self-sustaining or has identified another source of operating money or the amount appropriated for this purpose is exhausted.

(b) Operating costs may not be supported by the fund for any center for more than four (4) years.

SECTION 14. IC 4-23-5.5-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) As used in this section, "facility" has the meaning set forth in IC 6-3.1-28-3.

(b) A person that wants to claim the tax credit under IC 6-3.1-28 must submit the business plan for the facility to the board.

(c) If the board finds that the facility will be economically viable, the board shall issue a certificate to the person stating that the facility is a qualified facility for purposes of IC 6-3.1-28.

SECTION 15. IC 6-1.1-12.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:

Chapter 12.2. Deduction for Aircraft

Sec. 1. This chapter applies only to the following:

(1) Aircraft that:

(A) have a seating capacity of not more than ninety (90) passengers;

(B) are used in the air transportation of passengers or passengers and property; and

(C) are owned or operated by a person that is:



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(i) an air carrier certificated under Federal Air Regulation Part 121; or

(ii) a scheduled air taxi operator certified under Federal Air Regulation Part 135.

(2) Aircraft that:

(A) are used to transport only property, regardless of whether the aircraft is operated as a common carrier for compensation; and

(B) are owned or operated by a person that is:

(i) an air carrier certificated under Federal Air Regulation Part 121; or

(ii) a scheduled air taxi operator certified under Federal Air Regulation Part 135.

Sec. 2. As used in this chapter, "abatement property" refers to aircraft described in section 1 of this chapter.

Sec. 3. As used in this chapter, "aircraft" has the meaning set forth in 49 U.S.C. 40102.

Sec. 4. As used in this chapter, "air transportation" means transportation of passengers or property by aircraft as a common carrier for compensation.

Sec. 5. As used in this chapter, "business entity" refers to a corporation (as defined in IC 6-3-1-10) or partnership (as defined in IC 6-3-1-19).

Sec. 6. As used in this chapter, "Indiana corporate headquarters" means a physical presence in Indiana of a domestic business entity that results in Indiana being the regular or principal place of business of its chief executive, operating, and financial officers.

Sec. 7. As used in this chapter, "subsidiary" means a business entity in which another business entity with an Indiana corporate headquarters has at least an eighty percent (80%) ownership interest.

Sec. 8. As used in this chapter, "taxpayer" means a business entity that:

(1) has an Indiana corporate headquarters; or

(2) is a subsidiary of a business entity with an Indiana corporate headquarters;

and that is liable under IC 6-1.1-2-4, as applied under IC 6-1.1-3 or IC 6-1.1-8, for ad valorem property taxes on abatement property.

Sec. 9. A taxpayer is entitled to a deduction from the assessed value of abatement property in each year in which the abatement property is subject to taxation for ad valorem property taxes.



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1 **Sec. 10.** The amount of the deduction is equal to one hundred
2 percent (100%) of the assessed value of the abatement property.

3 **Sec. 11.** The deduction includes ad valorem property taxes
4 calculated using aircraft ground times.

5 **Sec. 12.** To qualify for the deduction, the taxpayer must claim
6 the deduction, in the manner prescribed by the department of local
7 government finance, on the taxpayer's personal property tax
8 return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return
9 filed within the time allowed under this article) for the abatement
10 property to which the deduction applies.

11 SECTION 16. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE
12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2004]:

14 **Chapter 44. Deduction for Purchases of Investment Property by**
15 **Manufacturers of Recycled Components**

16 **Sec. 1.** As used in this chapter, "coal combustion product"
17 means the byproducts resulting from the combustion of coal in a
18 facility located in Indiana, including a fluidized bed boiler. The
19 term includes boiler slag, bottom ash, fly ash, and scrubber sludge.

20 **Sec. 2.** As used in this chapter, "investment property" means
21 depreciable personal property that a manufacturer purchases and
22 uses to manufacture recycled components.

23 **Sec. 3. (a)** As used in this chapter, "manufacturer" means a
24 taxpayer that:

25 (1) obtains and uses coal combustion products for the
26 manufacturing of recycled components; and

27 (2) is at least one (1) of the following:

28 (A) A new business.

29 (B) An existing business that, during the taxable year in
30 which the taxpayer claims a deduction under this chapter,
31 expands the business's manufacturing process to
32 manufacture recycled components.

33 (C) An existing business that:

34 (i) manufactures recycled components; and

35 (ii) during the taxable year in which the taxpayer claims
36 a deduction under this chapter, increases purchases of
37 coal combustion products by the amount determined in
38 subsection (b).

39 (b) To be within the definition set forth in subsection (a), a
40 taxpayer described in subsection (a)(2)(C) must increase the
41 taxpayer's purchases of coal combustion products by the amount
42 determined in STEP THREE of the following STEPS:



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STEP ONE: Determine the amount of the taxpayer's purchases of coal combustion products for each of the three (3) taxable years immediately preceding the taxable year in which the taxpayer claims a deduction under this chapter.

STEP TWO: Determine the largest amount determined under STEP ONE.

STEP THREE: Determine the product of:

- (A) the STEP TWO amount; multiplied by
- (B) one-tenth (0.1).

Sec. 4. As used in this chapter, a unit of materials, goods, or other tangible personal property is a "recycled component" if coal combustion products constitute at least fifteen percent (15%) by weight of the substances of which the unit is composed. Recycled components include masonry construction products (including portland cement based mortar), normal and lightweight concrete, blocks, bricks, pavers, pipes, prestressed concrete products, filter media, and other products approved by the Center for Coal Technology Research established under IC 4-4-30.

Sec. 5. (a) A manufacturer is entitled to a deduction from the assessed valuation of the investment property in the first year that the investment property is subject to assessment under this article.

(b) The amount of a deduction described in subsection (a) equals the product of:

- (1) the assessed value of the investment property; multiplied by
- (2) fifteen hundredths (0.15).

Sec. 6. (a) To obtain a deduction under this chapter, a manufacturer must file an application on forms prescribed by the department of local government finance with the auditor of the county in which the investment property is located. A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the investment property is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the investment property is installed must file the application between March 1 and the extended due date for that year.

(b) The deduction application required by this section must contain the following information:

- (1) The name of the owner of the investment property.
- (2) A description of the investment property.
- (3) Proof of purchase of the investment property and proof of the date the investment property was installed.



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(4) The amount of the deduction claimed.

Sec. 7. A taxpayer that obtains a credit under IC 6-3.1-25.2 may not obtain a deduction under this chapter in a taxable year.

SECTION 17. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 39. (a) This section applies to retail transactions that occur after June 30, 2003, and before January 1, 2008.**

(b) Sales of the following electrical appliances are exempt from the state gross retail tax if the electrical appliances meet or exceed the applicable Energy Star efficiency standards developed by the United States Environmental Protection Agency and the United States Department of Energy:

- (1) A clothes washer.**
- (2) A refrigerator.**
- (3) A dishwasher.**
- (4) A room air conditioner.**

(c) The department may adopt rules under IC 4-22-2 to implement this section.

(d) This section expires January 1, 2008.

SECTION 18. IC 6-2.5-8-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 12. (a) Notwithstanding any other provision of this article, the following do not cause a person that has contracted with a call center operator for a telephone service to have a duty to register as a retail merchant or to collect or remit the state gross retail or use tax imposed by this article:**

(1) The ownership or leasing by the person of tangible or intangible property that is:

- (A) located at the Indiana premises of the call center operator;**
- (B) used to provide or assist directly with the provision of a telephone service as described in subsection (c); and**
- (C) not held for sale, shipment, or distribution in response to orders received as a result of a telephone service provided by the call center operator.**

(2) The activities of any kind performed by or on behalf of the person at the Indiana premises of the call center operator.

(3) The activities of any kind performed by the call center operator in Indiana for or on behalf of the person.

(b) Tangible or intangible property that is:

- (1) owned or leased by a person that has contracted with a call**

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center operator for a telephone service;
 (2) located at the premises of the call center operator;
 (3) used to provide or assist directly with the provision of a telephone service as described in subsection (c); and
 (4) not held for sale, shipment, or distribution in response to orders received as a result of a telephone service provided by the call center operator;

shall not be considered to be, or to create, an office, a place of distribution, a sales location, a sample location, a warehouse, a storage place, or other place of business maintained, occupied, or used in any way by the person. For purposes of this section, a call center operator with which a person has contracted for a telephone service shall not be considered to be in any way a representative, an agent, a salesman, a canvasser, or a solicitor for the person.

(c) For purposes of this section, a telephone service includes soliciting orders by telephone, accepting orders by telephone, and making and receiving any other telephone calls.

SECTION 19. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss), SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for Indiana qualified research expense incurred after December 31, ~~2004~~ 2010. Notwithstanding Section 41 of the Internal Revenue Code, the termination date in Section 41(h) of the Internal Revenue Code does not apply to a taxpayer who is eligible for the credit under this chapter for the taxable year in which the Indiana qualified research expense is incurred.

SECTION 20. IC 6-3.1-24-5, AS ADDED BY P.L.192-2002(ss), SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 5. As used in this chapter, "taxpayer" means an individual or entity, **including a pass through entity**, that has any state tax liability.

SECTION 21. IC 6-3.1-24-6, AS ADDED BY P.L.192-2002(ss), SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 6. A taxpayer that:

- (1) provides qualified investment capital to a qualified Indiana business; **and**
- (2) fulfills the requirements of the department of commerce under section 12.5 of this chapter;

is entitled to a credit against the person's state tax liability in a taxable year equal to the amount specified in section 10 of this chapter.

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SECTION 22. IC 6-3.1-24-7, AS ADDED BY P.L.192-2002(ss),
SECTION 119, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 7. (a) The
department of commerce shall certify that a business is a qualified
Indiana business if the department determines that the business:

(1) is a high growth company that:

(A) is entering a new product or process area;

(B) has a substantial number of employees in jobs:

(i) requiring postsecondary education or its equivalent; or

(ii) that are in occupational codes classified as high skill by
the Bureau of Labor Statistics, United States Department of
Labor; and

(C) has a substantial number of employees that earn at least
one hundred fifty percent (150%) of Indiana per capita
personal income;

(2) (1) has its headquarters in Indiana;

(3) (2) is primarily focused on **commercialization of** research
and development, technology transfers, or the application of new
technology, or is determined by the department of commerce to
have significant potential to:

(A) bring substantial capital into Indiana;

(B) create jobs;

(C) diversify the business base of Indiana; or

(D) significantly promote the purposes of this chapter in any
other way;

(4) (3) has had average annual revenues of less than ten million
dollars (\$10,000,000) in the two (2) years preceding the year in
which the business received qualified investment capital from a
taxpayer claiming a credit under this chapter;

(5) (4) has:

(A) at least fifty percent (50%) of its employees residing in
Indiana; and or

(B) at least seventy-five percent (75%) of its assets located in
Indiana; and

(6) (5) is not engaged in a business involving:

(A) real estate;

(B) real estate development;

(C) insurance;

(D) professional services provided by an accountant, a lawyer,
or a physician;

(E) retail sales, except when the primary purpose of the
business is the development or support of electronic commerce



1 using the Internet; or

2 (F) oil and gas exploration.

3 (b) A business shall apply to be certified as a qualified Indiana
4 business on a form prescribed by the department **of commerce**.

5 (c) If a business is certified as a qualified Indiana business under
6 this section, the department **of commerce** shall provide a copy of the
7 certification to the investors in the qualified Indiana business for
8 inclusion in tax filings.

9 (d) The department **of commerce** may impose an application fee of
10 not more than two hundred dollars (\$200).

11 SECTION 23. IC 6-3.1-24-9, AS ADDED BY P.L.192-2002(ss),
12 SECTION 119, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 9. (a) The
14 total amount of tax credits that may be allowed under this chapter in a
15 particular calendar year **for qualified investment capital provided**
16 **during that calendar year** may not exceed ten million dollars
17 (\$10,000,000). **The department of commerce may not certify a**
18 **proposed investment plan under section 12.5 of this chapter if the**
19 **proposed investment would result in the total amount of the tax**
20 **credits certified for the calendar year exceeding ten million dollars**
21 **(\$10,000,000). An amount of an unused credit carried over from a**
22 **previous calendar year may not be considered in determining the**
23 **amount of proposed investments that the department of commerce**
24 **may certify under this chapter.**

25 (b) Notwithstanding the other provisions of this chapter, a taxpayer
26 is not entitled to a credit for providing qualified investment capital to
27 a qualified Indiana business after December 31, 2008. **However, this**
28 **subsection may not be construed to prevent a taxpayer from**
29 **carrying over to a taxable year beginning after December 31, 2008,**
30 **an unused tax credit attributable to an investment occurring before**
31 **January 1, 2009.**

32 SECTION 24. IC 6-3.1-24-12, AS ADDED BY P.L.192-2002(ss),
33 SECTION 119, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 12. If the
35 amount of the credit determined under section 10 of this chapter for a
36 taxpayer in a taxable year exceeds the taxpayer's state tax liability for
37 that taxable year, the taxpayer may carry the excess over to the
38 **taxpayer's** following taxable years. The amount of the credit carryover
39 from a taxable year shall be reduced to the extent that the carryover is
40 used by the taxpayer to obtain a credit under this chapter for any
41 subsequent taxable year. A taxpayer is not entitled to a carryback **or a**
42 **refund of any unused credit amount.**



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SECTION 25. IC 6-3.1-24-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: **Sec. 12.5. (a) A taxpayer wishing to obtain a credit under this chapter must apply to the department of commerce for a certification that the taxpayer's proposed investment plan would qualify for a credit under this chapter.**

(b) The application required under subsection (a) must include:

- (1) the name and address of the taxpayer;**
- (2) the name and address of each proposed recipient of the taxpayer's proposed investment;**
- (3) the amount of the proposed investment;**
- (4) a copy of the certification issued under section 7 of this chapter that the proposed recipient is a qualified Indiana business; and**
- (5) any other information required by the department of commerce.**

(c) If the department of commerce determines that:

- (1) the proposed investment would qualify the taxpayer for a credit under this chapter; and**
- (2) the amount of the proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding ten million dollars (\$10,000,000);**

the department of commerce shall certify the taxpayer's proposed investment plan.

(d) To receive a credit under this chapter, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the department of commerce certifies the investment plan.

(e) Upon making the investment required under subsection (d), the taxpayer shall provide proof of the investment to the department of commerce.

(f) Upon receiving proof of a taxpayer's investment under subsection (e), the department of commerce shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the department of commerce and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d).



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SECTION 26. IC 6-3.1-24-13, AS ADDED BY P.L.192-2002(ss), SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 13. (a) To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department, **along with the taxpayer's state tax return or returns, proof that the taxpayer provided qualified investment capital to a qualified Indiana business a copy of the certificate issued by the department of commerce to the taxpayer under section 12.5(f) of this chapter** and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

(b) The department shall record the time of filing of each return claiming a credit under section 6 of this chapter and shall, except as provided in subsection (c), grant the credit to the taxpayer, if the taxpayer otherwise qualifies for a tax credit under this chapter, in the chronological order in which the return is filed in the calendar year.

(c) If the total credits approved under this section equal the maximum amount allowable in a calendar year, a return claiming the credit filed later in that calendar year may not be approved.

SECTION 27. IC 6-3.1-25.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

Chapter 25.2. Coal Combustion Product Tax Credit

Sec. 1. As used in this chapter, "coal combustion product" means the byproducts resulting from the combustion of coal in a facility located in Indiana, including a fluidized bed boiler. The term includes boiler slag, bottom ash, fly ash, and scrubber sludge.

Sec. 2. (a) As used in this chapter, "manufacturer" means a taxpayer that:

(1) obtains and uses coal combustion products for the manufacturing of recycled components; and

(2) is one (1) of the following:

(A) A new business.

(B) An existing business that, during a taxable year in which the taxpayer claims a credit under this chapter, begins manufacturing recycled components.

(C) An existing business that:

(i) manufactures recycled components; and

(ii) during a taxable year in which the taxpayer claims a credit under this chapter, increases acquisitions of coal combustion products by the amount determined in

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subsection (b).

(b) A manufacturer described in subsection (a)(2)(C) must increase the manufacturer's acquisitions of coal combustion products by the amount determined in STEP THREE of the following STEPS:

STEP ONE: Determine the total amount of coal combustion products obtained by the manufacturer for each of the three (3) taxable years immediately preceding the taxable year in which the manufacturer claims a credit under this chapter.

STEP TWO: Determine the largest amount determined under STEP ONE.

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one-tenth (0.1).

Sec. 3. As used in this chapter, a unit of materials, goods, or other tangible personal property is a "recycled component" if coal combustion products constitute at least fifteen percent (15%) by weight of the substances of which the unit is composed. Recycled components include masonry construction products (including portland cement based mortar), normal and lightweight concrete, blocks, bricks, pavers, pipes, prestressed concrete products, filter media, and other products approved by the Center for Coal Technology Research established under IC 4-4-30.

Sec. 4. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 5. (a) A manufacturer is entitled to a credit against the manufacturer's state tax liability as follows:

(1) In the case of a manufacturer described under section 2(a)(2)(A) or 2(a)(2)(B) of this chapter, the amount of the credit is equal to:

(A) the number of tons of coal combustion products obtained and used by the manufacturer in the taxable year; multiplied by

(B) two dollars (\$2).

(2) In the case of a manufacturer described under section 2(a)(2)(C) of this chapter, the amount of the credit is equal to:

(A) the difference between:

(i) the number of tons of coal combustion products obtained and used by the manufacturer in the taxable

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year; and

(ii) the amount determined in STEP TWO of section 2(b) of this chapter; multiplied by

(B) two dollars (\$2).

(b) The total amount of credits allowed under this chapter may not exceed a total of two million dollars (\$2,000,000) for all taxpayers per state fiscal year.

(c) To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department.

(d) The department shall record the time of filing of each return claiming a credit under this section and, except as provided in subsection (e), shall grant the credit to the taxpayer, if the taxpayer otherwise qualifies for a tax credit under this chapter, in the chronological order in which the return is filed in the state fiscal year.

(e) If the total credits approved under this section equal the maximum amount allowable in the state fiscal year, a return claiming the credit filed later in that same state fiscal year may not be approved. However, if an applicant for which a credit has been approved fails to file the information required by section 9 of this chapter, an amount equal to the credit previously allowed or set aside for the applicant may be allowed to the next eligible applicant or applicants until the total amount has been allowed. In addition, the department may, if the applicant so requests, approve a credit application, in whole or in part, with respect to the next succeeding state fiscal year.

Sec. 6. (a) If a manufacturer that claims a credit under this chapter is a pass through entity (as defined in IC 6-3.1-11.5-8.5) that does not have state tax liability for a taxable year against which the credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a credit equal to:

(1) the credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) If the amount determined under subsection (a) exceeds the state tax liability of the shareholder, partner, or member, the shareholder, partner, or member may not carry over the excess to following taxable years.

Sec. 7. A manufacturer with a facility located in Indiana may

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1 claim a credit under this chapter in each of ten (10) consecutive
2 taxable years, beginning with the taxable year in which the
3 manufacturer first claims the credit under this chapter.

4 Sec. 8. (a) If the amount determined under section 5 of this
5 chapter for a taxable year exceeds the manufacturer's state tax
6 liability for the taxable year, the manufacturer may not carry over
7 the excess to following taxable years.

8 (b) A taxpayer is not entitled to a carryback or refund of any
9 unused credit.

10 Sec. 9. To obtain a credit under this chapter, the manufacturer
11 must file with the department information that the department
12 determines is necessary for the calculation of the credit provided
13 under this chapter. The department shall keep a list that includes:

- 14 (1) the name of each manufacturer that receives a credit
15 under this chapter and a deduction under IC 6-1.1-44; and
16 (2) the amount of each credit under this chapter for the
17 manufacturer in the taxable year;

18 and provide the list annually to the Center for Coal Technology
19 Research established under IC 4-4-30.

20 Sec. 10. A taxpayer that obtains a deduction under IC 6-1.1-44
21 may not obtain a credit under this chapter for the same taxable
22 year.

23 SECTION 28. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE
24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2004]:

26 **Chapter 27. Blended Biodiesel Tax Credits**

27 Sec. 1. As used in this chapter, "biodiesel" means a renewable,
28 biodegradable, mono alkyl ester combustible liquid fuel derived
29 from agricultural plant oils or animal fats that meets American
30 Society for Testing and Materials specification D6751-02 for
31 biodiesel fuel (B100) blend stock distillate fuels.

32 Sec. 2. As used in this chapter, "blended biodiesel" refers to a
33 blend of biodiesel with petroleum diesel so that the percentage of
34 biodiesel in the blend is at least two percent (2%) (B2 or greater).
35 The term does not include biodiesel (B100).

36 Sec. 3. As used in this chapter, "dealer" has the meaning set
37 forth in IC 6-6-1.1-103.

38 Sec. 4. As used in this chapter, "pass through entity" means:

- 39 (1) a corporation that is exempt from the adjusted gross
40 income tax under IC 6-3-2-2.8(2);
41 (2) a partnership;
42 (3) a limited liability company; or



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(4) a limited liability partnership.

Sec. 5. As used in this chapter, "service station" means a retail outlet where a dealer sells a motor fuel through a metered pump.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (the state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. (a) A taxpayer that produces biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

- (1) one dollar (\$1); multiplied by
- (2) the number of gallons of biodiesel:
 - (A) produced at the Indiana facility during 2004 and 2005; and
 - (B) used to produce blended biodiesel.

(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of biodiesel by the taxpayer.

Sec. 9. (a) A taxpayer that produces blended biodiesel at a facility located in Indiana is entitled to a credit against the taxpayer's state tax liability equal to the product of:

- (1) two cents (\$0.02); multiplied by
- (2) the number of gallons of blended biodiesel:
 - (A) produced at the Indiana facility; and
 - (B) blended with biodiesel produced at a facility located in Indiana.

(b) The credit provided by this section shall be reduced by any credit or subsidy that the taxpayer is entitled to receive from the federal government for the production of blended biodiesel by the taxpayer.

Sec. 10. (a) A taxpayer that:

- (1) is a dealer; and
- (2) operates a service station in Indiana at which blended biodiesel is sold and dispensed through a metered pump in a taxable year;



1 is entitled to a credit against the taxpayer's state tax liability.

2 (b) The amount of the credit allowed under this section is the
3 product of:

4 (1) one cent (\$0.01); multiplied by

5 (2) the total number of gallons of blended biodiesel sold and
6 dispensed through all the metered pumps located at a service
7 station described in subsection (a)(2).

8 (c) The credit allowed under this section must be computed
9 separately for each service station operated by the taxpayer that
10 meets the requirements of subsection (a)(2).

11 Sec. 11. If a pass through entity is entitled to a credit under this
12 chapter but does not have state tax liability against which the tax
13 credit may be applied, a shareholder, partner, or member of the
14 pass through entity is entitled to a tax credit equal to:

15 (1) the tax credit determined for the pass through entity for
16 the taxable year; multiplied by

17 (2) the percentage of the pass through entity's distributive
18 income to which the shareholder, partner, or member is
19 entitled.

20 Sec. 12. (a) If the amount of the credit determined under this
21 chapter for a taxpayer in a taxable year exceeds the taxpayer's
22 state tax liability for that taxable year, the taxpayer may carry
23 over the excess to the following taxable years. The amount of the
24 credit carryover from a taxable year shall be reduced to the extent
25 that the carryover is used by the taxpayer to obtain a credit under
26 this chapter for any subsequent taxable year.

27 (b) A taxpayer is not entitled to a carryback or refund of any
28 unused credit.

29 Sec. 13. To receive the credit provided by this chapter, a
30 taxpayer must claim the credit on the taxpayer's state tax return
31 or returns in the manner prescribed by the department. The
32 taxpayer shall submit to the department proof of all information
33 that the department determines is necessary for the calculation of
34 the credit provided by this chapter.

35 Sec. 14. Notwithstanding the other provisions of this chapter, a
36 taxpayer is not entitled to a credit for the production or sale of
37 biodiesel or blended biodiesel that is produced or sold after
38 December 31, 2005. However, this section may not be construed to
39 prevent a taxpayer from carrying over to a taxable year beginning
40 after December 31, 2005, an unused tax credit attributable to
41 production or sales of biodiesel or blended biodiesel occurring
42 before January 1, 2006.



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SECTION 29. IC 6-3.1-28 IS ADDED TO THE INDIANA CODE
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JANUARY 1, 2004]:

Chapter 28. Ethanol Production Tax Credit

Sec. 1. As used in this chapter, "board" refers to the Indiana recycling and energy development board created by IC 4-23-5.5-2.

Sec. 2. As used in this chapter, "ethanol" means agriculturally derived ethyl alcohol.

Sec. 3. As used in this chapter, "facility" refers to a facility for the production of ethanol that satisfies all the following:

- (1) The facility is located in Indiana.
- (2) The facility has a capacity to produce at least forty million (40,000,000) gallons of ethanol a year.
- (3) The facility:
 - (A) was constructed after December 31, 2003; or
 - (B) after December 31, 2003, increased its ethanol production capacity by at least forty million (40,000,000) gallons a year.

Sec. 4. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (the state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 6. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 7. Subject to section 11 of this chapter, a taxpayer that produces ethanol at a facility is entitled to a credit against the taxpayer's state tax liability equal to the product of:

- (1) twelve and one-half cents (\$.125); multiplied by
- (2) the number of gallons of ethanol produced at the Indiana facility.

Sec. 8. If a pass through entity is entitled to a credit under this

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chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 9. (a) If the amount of the credit determined under this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry over the excess to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 10. To receive the credit provided by this chapter, a taxpayer must do the following:

- (1) Claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department.
- (2) Provide a copy of the board's certificate finding that the facility is a qualified facility under IC 4-23-5.5-17.
- (3) Submit to the department proof of all information that the department determines is necessary for the calculation of the credit provided by this chapter.

Sec. 11. (a) The total amount of credits allowed a taxpayer under this chapter may not exceed a total of five million dollars (\$5,000,000) for all taxable years.

(b) The total amount of credits allowed under this chapter may not exceed ten million dollars (\$10,000,000) for all taxpayers and all taxable years.

SECTION 30. IC 6-6-6.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) The provisions of this chapter pertaining to registration and taxation shall not apply to any of the following:

- (1) An aircraft owned by and used exclusively in the service of:
 - (i) the United States government;
 - (ii) a state (except Indiana), territory, or possession of the United States;
 - (iii) the District of Columbia; or
 - (iv) a political subdivision of an entity listed in clause (i), (ii),



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- 1 or (iii).
- 2 (2) An aircraft owned by a resident of another state and registered
- 3 in accordance with the laws of that state. However, the aircraft
- 4 shall not be exempt under this subdivision if a nonresident
- 5 establishes a base for the aircraft inside this state and the base is
- 6 used for a period of sixty (60) days or more.
- 7 (3) An aircraft which this state is prohibited from taxing under
- 8 this chapter by the Constitution or the laws of the United States.
- 9 (4) An aircraft owned or operated by a person who is either an air
- 10 carrier certificated under Federal Air Regulation Part 121 or a
- 11 scheduled air taxi operator certified under Federal Air Regulation
- 12 Part 135, unless such person is a corporation incorporated under
- 13 the laws of the state of Indiana, ~~or~~ an individual who is a resident
- 14 of Indiana, **or a corporation with Indiana corporate**
- 15 **headquarters (as defined in IC 6-1.1-12.2-6).**
- 16 (5) An aircraft which has been scrapped, dismantled, or
- 17 destroyed, and for which the airworthiness certificate and federal
- 18 certificate of registration have been surrendered to the Federal
- 19 Aviation Administration by the owner.
- 20 (6) An aircraft owned by a resident of this state that is not a dealer
- 21 and that is not based in this state at any time, if the owner files the
- 22 required form not later than thirty-one (31) days after the date of
- 23 purchase; and furnishes the department with evidence,
- 24 satisfactory to the department, verifying where the aircraft is
- 25 based during the year.
- 26 (7) An aircraft owned by a dealer for not more than five (5) days
- 27 if the ownership is part of an ultimate sale or transfer of an
- 28 aircraft that will not be based in this state at any time. However,
- 29 the dealer described in this subdivision is required to file a report
- 30 of the transaction within thirty-one (31) days after the ultimate
- 31 sale or transfer of ownership of the aircraft. The report is not
- 32 required to identify the seller or purchaser but must list the
- 33 aircraft's origin, destination, N number, date of each transaction,
- 34 and ultimate sales price.
- 35 (8) An aircraft owned by a registered nonprofit museum, if the
- 36 owner furnishes the department with evidence satisfactory to the
- 37 department not later than thirty-one (31) days after the purchase
- 38 date. The aircraft must be reported for registration, but the
- 39 department shall issue the registration without charge.
- 40 (b) The provisions of this chapter pertaining to taxation shall not
- 41 apply to an aircraft owned by and used exclusively in the service of
- 42 Indiana or a political subdivision of Indiana or any university or college

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supported in part by state funds. That aircraft must be reported for registration, but the department will issue the registration without charge.

SECTION 31. IC 8-10-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. In order to promote the agricultural, industrial and commercial development of the state, and to provide for the general welfare by the construction and operation, in cooperation with the federal government, or otherwise, of a modern port ~~on Lake Michigan and/or the Ohio River, and/or the Wabash River,~~ **system** with terminal facilities to accommodate water, rail, truck, ~~and~~ air-borne, **and other forms of** transportation, the Indiana Port Commission is hereby authorized and empowered to construct, maintain and operate, in cooperation with the federal government, or otherwise, at such ~~location on Lake Michigan and/or the Ohio River, and/or the Wabash River,~~ **locations** as shall be approved by the governor, **projects, including without limitation** public ports with terminal facilities and traffic exchange points **throughout Indiana** for all forms of transportation, giving particular attention to the benefits which may accrue to the state and its citizens from ~~the St. Lawrence Seaway,~~ **all forms of transportation**, and to issue ~~port~~ revenue bonds of the state payable solely from revenues, to pay the cost of such projects. **The commission's powers are not limited to ports and may be exercised throughout Indiana for projects that enhance, foster, aid, provide, or promote economic development, public-private partnerships, and other industrial, commercial, business, and transportation purposes.**

SECTION 32. IC 8-10-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. As used in this chapter, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(a) The word "commission" shall mean the Indiana Port Commission created by section 3 of this chapter, or, if said commission shall be abolished, the board, body or commission succeeding to the principal functions thereof, or to whom the powers given by this chapter to the commission shall be given by law.

(b) The word "port" shall include **any combination of:**

(1) any place or places on Lake Michigan, the Ohio River, ~~and~~ the Wabash River, **or other water bodies**, natural or artificial, in which water-borne vessels capable of carrying articles of commerce over navigable bodies of water may be loaded, unloaded or accommodated; **and**



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(2) nonmaritime port and traffic exchange points throughout Indiana for the transfer of goods and passengers between all modes of transportation.

(c) The words "port word "project" shall include:

(1) any facilities, adjuncts, and appurtenances necessary or useful to operate a modern port, whether or not permanently situated at the port, including:

(A) the dredging of approaches thereto, and including, among other things, but not limited to to a port; and

(B) breakwaters, inner harbors, outer harbors, channels, canals, turning basins, docks, wharves, piers, quays, slips, loading, unloading, handling and storage equipment, warehouses, refrigerating plants and equipment, elevators for the handling and storage of grain, coal and other bulk commodities, terminal buildings or facilities, railroad equipment and trackage, roadways, airplane landing fields, parking lots, garages, automotive equipment, tugs, ferries, maintenance and construction vessels, communication systems, sewers, drains, works for the treatment of sewage, garbage and wastes, and the furnishing of utility service necessary to serve the property under the jurisdiction or control of the commission, and other buildings and facilities which the commission may deem necessary for the operation of the port; and

(2) any other project located in Indiana, other than at a port, that the commission finds will enhance, foster, aid, provide, or promote economic development, public-private partnerships, and other industrial, commercial, business, and transportation purposes.

(d) The word "cost" as applied to a port or port project shall embrace means:

(1) the cost of construction;

(2) the cost of acquisition of all land, rights-of-way, property, rights, easements and interests, including lands under water and riparian rights acquired by the commission for such construction;

(3) the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved;

(4) the cost of relocating public roads;

(5) the cost of land or easements therefor, for roads;

(6) the cost of all machinery and equipment;

(7) financing charges;



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(8) interest prior to and during construction and for not exceeding two (2) years after the estimated date of completion of construction;

(9) the cost of engineering and legal expenses, plans, specifications, surveys, and estimates of cost, traffic and revenues;

(10) other expenses necessary or incident to determining the feasibility or practicability of constructing any such project;

(11) administrative expense; and ~~such~~

(12) other expenses as may be necessary or incident to the ~~acquisition or~~ construction of the project, the financing of ~~such the acquisition or~~ construction, and the placing of the project in operation, **including the amount authorized in the resolution of the port commission providing for the issuance of port commission revenue bonds to be paid into any special funds from the proceeds of the bonds.**

(e) Any obligation, cost, or expense incurred by any governmental agency or person for surveys, borings, the preparation of plans and specifications, and other engineering services, or any other cost described in this section that is incurred in connection with the acquisition or construction of a project may be regarded as part of the cost of the project and may be reimbursed out of the proceeds of port commission revenue bonds as authorized by this chapter.

~~(e)~~ (f) The word "owner" shall include all individuals, copartnerships, associations or corporations having any title or interest in any property, rights, easements and other interests authorized to be acquired by this chapter.

~~(f)~~ (g) The word "revenues" shall mean all fees, tolls, rentals, gifts, grants, moneys and all other funds coming into the possession or under the control of the commission by virtue of the terms and provisions of this chapter, but shall not include real property or personal property other than money, nor the proceeds from the sale of bonds issued under provisions of this chapter.

~~(g)~~ (h) The word "public roads" shall include all public highways, roads, and streets in the state, whether maintained by the state, county, city, township or other political subdivision.

SECTION 33. IC 8-10-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) There is hereby created a commission to be known as the "Indiana port commission" and by that name the commission may sue and be sued, and plead and be impleaded. The commission hereby created is a body both corporate

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and politic in the state of Indiana, and the exercise by the commission of the powers conferred by this chapter in the construction, operation and maintenance of a port ~~or~~ project shall be deemed and held to be essential governmental functions of the state, but the commission shall not however be immune from liability by reason thereof.

(b) The commission shall consist of seven (7) members, appointed by the governor, no more than four (4) of whom shall be members of the same political party. The members shall be residents of the state, and shall have been qualified electors therein for a period of at least five (5) years next preceding their appointment. The members of the commission first appointed shall continue in office for terms expiring, in the case of two (2) members, on July 1, 1962, and in the case of three (3) members, on July 1, 1963, July 1, 1964, and July 1, 1965, and the first two (2) members appointed after January 1, 1975, shall continue in office for terms expiring July 1, 1977, for one (1) member and July 1, 1979, for the other member, respectively, and until their respective successors shall be duly appointed and qualified. The term of any member of the commission first appointed shall be designated by the governor. The successor of each such member shall be appointed for a term of four (4) years, except that any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term, and a member of the commission shall be eligible for reappointment. The governor may at any time remove any member of the commission for misfeasance, nonfeasance, or malfeasance in office. The members of the commission shall, within ten (10) days after their appointment, meet and qualify by subscribing an oath to discharge honestly and faithfully the duties of their office as members of such commission. The commission shall thereafter elect one (1) of the members as chairman and another as vice-chairman, and shall appoint a secretary-treasurer who need not be a member of the commission. Four (4) members of the commission shall constitute a quorum and the affirmative vote of four (4) members shall be necessary for any official action taken by the commission. No vacancy in the membership of the commission shall impair the rights of a quorum to exercise all the rights and perform all the duties of the commission.

(c) Before the issuance of any ~~port~~ revenue bonds under the provisions of this chapter, each appointed member of the commission shall give a surety bond to the state in the penal sum of twenty-five thousand dollars (\$25,000) and the secretary-treasurer shall give a surety bond to the state in the penal sum of fifty thousand dollars (\$50,000). Each such surety bond ~~to~~ **must** be conditioned upon the faithful performance of the duties of the office, to be executed by a

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surety company authorized to transact business in the state as surety and to be approved by the governor and filed in the office of the secretary of state.

(d) Each appointed member of the commission shall receive an annual salary of seven thousand, five hundred dollars (\$7,500), payable in monthly instalments. However, no members of such commission as appointed hereunder shall receive any salary except a per diem as fixed and approved by the budget director until said commission is able to carry on the full operations as intended by this chapter, and the budget director, subject to the approval of the governor of the state of Indiana, shall determine when said salaries for said commission members shall commence. ~~The governor shall, however, appoint said members as herein provided within a period of sixty (60) days following the effective date of this chapter.~~

(e) Each member shall be reimbursed for ~~his~~ **the member's** actual expenses necessarily incurred in the performance of ~~his~~ **the member's** duties.

(f) All expenses incurred in carrying out the provisions of this chapter shall be payable solely from funds provided under the authority of this chapter and no liability or obligation shall be incurred by the commission hereunder beyond the extent to which moneys shall have been provided under the authority of this chapter.

SECTION 34. IC 8-10-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. ~~Port~~ Revenue bonds issued under the provisions of this chapter shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision, but such bonds shall be payable solely from the funds pledged for their payment as authorized in this chapter, unless such bonds are refunded by refunding bonds, issued under the provisions of this chapter, which refunding bonds shall be payable solely from funds pledged for their payment as authorized herein. All such revenue bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not an obligation of the state of Indiana, or of any political subdivision thereof, but are payable solely from revenues pledged for their payment. All expenses incurred in carrying out the provisions of this chapter shall be payable solely from funds provided under the authority of this chapter and nothing in this chapter contained shall be construed to authorize the commission to incur indebtedness or liability on behalf of or payable by the state or any political subdivision thereof.

SECTION 35. IC 8-10-1-4.5 IS ADDED TO THE INDIANA CODE



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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 4.5. Except as specifically authorized by the general assembly, the commission may not pledge, in any form, to:**

- (1) seek funding from the state in the event of any default in the payment of revenue bonds; or**
- (2) specify, in any form, in an agreement related to revenue bonds that money appropriated by the general assembly may or shall be deposited in a debt service fund or reserve fund for the revenue bonds.**

SECTION 36. IC 8-10-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The Indiana port commission may:

- (1) prepare sketches, plans, and descriptive material relating to ~~such~~ ports or ~~port~~ projects, as in its discretion may seem feasible, to compile data and prepare literature as to the necessity or advisability thereof, and to do other acts and things it considers necessary to promote ~~such public port or port the ports or~~ projects and deems to be in the public interest;
- (2) carry on, in its discretion, negotiations and enter into agreements and contracts with the federal government or agencies of the federal government or an authority established under IC 36-7-23 for the building and construction of public ports including terminal facilities, to be located within Indiana, on Lake Michigan, the Ohio River, the Wabash River, or in waters adjacent to Indiana;
- (3) locate and acquire a suitable ~~site sites~~ for ~~such public port or port ports or~~ projects;
- (4) construct, develop, maintain, and operate the same in cooperation with the federal government, any agency of the federal government, a corporation established under IC 36-7-23, or otherwise, in such a manner and on such terms as will, in the discretion of the commission, best serve the commercial, industrial, and agricultural interests of the state;
- (5) provide adequate port and terminal facilities to accommodate water, rail, truck, ~~and~~ airborne, **and other forms of** transportation; and
- (6) provide a traffic exchange point for all forms of transportation, giving particular attention to the benefits which may accrue to the state and its citizens by the opening of the St. Lawrence Seaway and river transportation.

(b) The title to all property included in any port ~~or~~ project shall be taken in the name of, and shall be in, the state of Indiana.



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SECTION 37. IC 8-10-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission is authorized and empowered **to do the following:**

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) To adopt an official seal which shall not be the seal of the state of Indiana.

(3) To maintain a principal office and sub-offices at such place or places within the state as it may designate.

(4) To sue and be sued, and to plead and be impleaded in its own name. However, actions at law against the commission shall be brought in the circuit court of the county in which the principal office of the commission is located or in the circuit court of the county in which the cause of action arose, if the county is located within the state. All summonses and legal notices of every kind shall be served on the commission by leaving a copy thereof at the principal office of the commission with the person in charge thereof or with the secretary of the commission. However, no such action shall be deemed commenced until a copy of the summons and complaint, cross complaint, petition, bill, or pleading is served upon the attorney general of Indiana.

(5) To acquire, lease, construct, maintain, repair, police, and operate a port or ~~port~~ project as provided in this chapter, and to establish rules and regulations for the use of ~~such the~~ port or ~~port~~ project, and other property subject to the jurisdiction and control of the commission.

(6) To issue ~~port both taxable and tax exempt~~ revenue bonds of the state, payable solely from revenues, as herein provided, for the purpose of paying all or any part of the cost of a port or ~~port~~ project.

(7) To acquire, lease, and operate tug boats, locomotives, and any and every kind of motive power and conveyances or appliances necessary or proper to carry passengers, goods, wares, merchandise, or articles of commerce in, on, or around the port or ~~port~~ project.

(8) To fix and revise from time to time and to collect fees, rentals, tolls, and other charges for the use of any port or ~~port~~ project.

(9) To acquire, obtain option on, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter.

(10) To designate the location and establish, limit, and control points of ingress to and egress from ~~the a port property~~ or

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project.

(11) To lease to others for development or operation such portions of any port or port project, on such terms and conditions as the commission shall deem advisable.

(12) To make and enter into all contracts, undertakings, and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter. When the cost of any such contract for construction, or for the purchase of equipment, materials, or supplies, involves an expenditure of more than twenty-five thousand dollars (\$25,000), the commission shall make a written contract with the lowest and best bidder after advertisement for not less than two (2) consecutive weeks in a newspaper of general circulation in ~~Marion County, Indiana,~~ **the county where the construction will occur** and in such other publications as the commission shall determine. The notice shall state the general character of the work and the general character of the materials to be furnished, the place where plans and specifications therefor may be examined, and the time and place of receiving bids. Each bid shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted a contract will be entered into and the performance of its proposal secured. The commission may reject any and all bids. A bond with good and sufficient surety as shall be approved by the commission, shall be required of all contractors in an amount equal to at least fifty percent (50%) of the contract price conditioned upon the faithful performance of the contract.

(13) To construct, assemble, or otherwise build, own, lease, operate, manage, or otherwise control any project throughout Indiana for the purpose of promoting economic growth and development throughout Indiana, retaining existing employment within Indiana, and attracting new employment opportunities within Indiana.

~~(13)~~ **(14)** To employ an executive director or manager, consulting engineers, superintendents, and such other engineers, construction and accounting experts, attorneys, and other employees and agents as may be necessary in its judgment, and to fix their compensation, but no compensation of any employee of the commission shall exceed the compensation of the highest paid officer or employee of the state. However, the employment of an attorney shall be subject to such approval of the attorney general

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as may be required by law.

~~(14)~~ **(15)** To receive and accept from any federal agency grants for or in aid of the construction of any port or ~~port~~ project, and to receive and accept aid or contributions from any source of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions may be made.

~~(15)~~ **(16)** To provide coverage for its employees under the provisions of IC 22-3-2 through IC 22-3-6, and IC 22-4.

~~(16)~~ **(17)** To do all acts and things necessary or proper to carry out the powers expressly granted in this chapter. ~~and~~

~~(17)~~ **(18)** To hold, use, administer, and expend such sum or sums as may herein or hereafter be appropriated or transferred to the commission.

SECTION 38. IC 8-10-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If the commission shall find it necessary to change the location of any portion of any public road, **highway**, railroad, or public utility facility, it shall cause the same to be reconstructed at such location as the division of government having jurisdiction over such road, highway, railroad or public utility facility shall deem most favorable and of substantially the same type and in as good condition as the original road, highway, or railroad or public utility facility. The cost of such reconstruction, relocation, or removal and any damage incurred in changing the location of any such road, highway, railroad, or public utility facility, shall be ascertained and paid by the commission as a part of the cost of ~~such the~~ port or ~~port~~ project. The commission shall have authority to petition the circuit court of the county wherein is situated any public road or part thereof, affected by the location therein of any port or ~~port~~ project, for the vacation or relocation of such road or any part thereof with the same force and effect as statutes in effect on March 2, 1961, to the inhabitants of any municipality or governmental subdivision of the state. The proceedings upon such petition, whether it be for the appointment of appraisers or otherwise, shall be the same as provided by statutes in effect on March 2, 1961, for similar proceedings upon such petitions. In addition to the foregoing powers, the commission and its authorized agents and employees, after proper notice, may enter upon any lands, waters, and premises in the state for the purpose of making surveys, soundings, drillings, and examinations as are necessary or proper for the purposes of this chapter, and such entry shall not be deemed a trespass, nor shall an entry for such purpose be deemed an entry under any condemnation proceedings which may be

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1 then pending; provided, that before entering upon the premises of any
 2 railroad, notice shall be given to the superintendent of such railroad
 3 involved at least five (5) days in advance of such entry, and provided,
 4 that no survey, sounding, drilling, and examination shall be made
 5 between the rails, or so close to a railroad track, as would render said
 6 track unusable. The commission shall make reimbursement for any
 7 actual damage resulting to such lands, waters, and premises and to
 8 private property located in, on, along, over, or under such lands, waters
 9 and premises, as a result of such activities. The state of Indiana, subject
 10 to the approval of the governor, hereby consents to the use of lands
 11 owned by it, including lands lying under water and riparian rights,
 12 which are necessary or proper for the construction or operation of any
 13 port or ~~port~~ project, provided adequate compensation is made for such
 14 use. The commission shall also have power to make reasonable
 15 regulations for the installation, construction, maintenance, repair,
 16 renewal, relocation, and removal of tracks, pipes, mains, conduits,
 17 cables, wires, towers, poles, and other equipment and appliances
 18 (referred to in this section as "public utility facilities") of any public
 19 utility in, on, along, over, or under any port or ~~port~~ project. Whenever
 20 the commission shall determine that it is necessary that any such public
 21 utility facilities which are, on or after March 2, 1961, located in, on,
 22 along, over, or under any ~~such~~ port or ~~port~~ project should be relocated
 23 or should be removed from ~~such the~~ port or ~~port~~ project, the public
 24 utility owning or operating such facilities shall relocate or remove the
 25 same in accordance with the order of the commission. ~~provided;~~
 26 However, ~~that~~ the cost and expenses of such relocation or removal,
 27 including the cost of installing such facilities in a new location or new
 28 locations, and the cost of any lands, or any rights or interests in lands,
 29 and any other rights, acquired to accomplish such relocation or
 30 removal, shall be ascertained and paid by the commission as a part of
 31 the cost of ~~such the~~ port or ~~port~~ project, excepting, however, cases in
 32 which such equipment or facilities are located within the limits of
 33 highways or public thoroughfares being constructed, reconstructed, or
 34 improved under the provisions of this chapter. In case of any such
 35 relocation or removal of facilities, the public utility owning or
 36 operating the same, its successors or assigns, may maintain and operate
 37 such facilities, with the necessary appurtenances, in the new location
 38 or new locations, for as long a period, and upon the same terms and
 39 conditions, as it had the right to maintain and operate such facilities in
 40 their former location or locations subject, however, to the state's right
 41 of regulation under its police powers.

42 SECTION 39. IC 8-10-1-9 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) The commission
 2 shall have power to adopt such by-laws, rules and regulations as it may
 3 deem advisable for the control and regulation of any port or ~~port~~ project
 4 or traffic on any port or ~~port~~ project, for the protection of and
 5 preservation of property under its jurisdiction and control, and for the
 6 maintenance and preservation of good order within the property under
 7 its control, and such by-laws, rules and regulations shall be published
 8 in a newspaper of general circulation in Marion County, Indiana, and
 9 in such other manner as the commission shall prescribe; however, such
 10 rules and regulations shall provide that public officers shall be afforded
 11 ready access, while in performance of their official duty, to all property
 12 under the jurisdiction or control of the commission without the
 13 payment of tolls.

14 (b) Such rules and regulations adopted under this section shall be
 15 adopted under IC 4-22-2.

16 (c) A person who violates a rule or regulation of the commission
 17 commits a Class C infraction.

18 SECTION 40. IC 8-10-1-10 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The commission
 20 is hereby authorized and empowered to acquire by purchase whenever
 21 it shall deem such purchase expedient, any land, property, rights,
 22 right-of-ways, franchises, easements and other interests in lands,
 23 including lands under water and riparian rights, as it may deem
 24 necessary or convenient for the construction and operation of any port
 25 or ~~port~~ project, upon such terms and at such price as may be considered
 26 by it to be reasonable and can be agreed upon between the commission
 27 and the owner thereof, and to take title thereto in the name of the state.

28 (b) The commission is hereby further authorized and empowered to
 29 sell, transfer and convey any such land or any interest therein so
 30 acquired, or any portion thereof, when the same shall no longer be
 31 needed for such purposes. ~~and it~~ **The commission** is further authorized
 32 and empowered to transfer and convey any such lands or interest
 33 therein as may be necessary or convenient for the construction and
 34 operation of any port or ~~port~~ project, or as otherwise required under the
 35 provisions of this chapter. ~~Provided, That~~ **However**, no such sale shall
 36 be made without **first obtaining** the approval of the Governor, ~~first~~
 37 ~~obtained~~ and **a sale may not be made** at ~~not~~ less than the appraised
 38 value established by three (3) independent appraisers appointed by the
 39 Governor. The commission shall be authorized to restrict the use of any
 40 land so sold by it and provide for a reversion to the commission in the
 41 event the land shall not be used for the purpose represented by the
 42 purchaser, and such restrictions and reversions shall be set out in



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appropriate covenants in the deeds of conveyance, which deeds shall be subject to the approval of the Governor.

(c) The commission shall also be authorized to lease, or grant options to lease, to others for development any portion of the land owned by the commission, on such terms as the commission shall determine to be advantageous. All such leases or options to lease which leases cover a period of more than four (4) years shall be subject to the approval of the Governor. Leases of lands under the jurisdiction or control of the commission shall be made only for such uses and purposes as are calculated to contribute to the growth and development of ~~the port and ports~~, terminal facilities, **and projects** under the jurisdiction or control of the commission. In the event the commission shall lease to others a building or structure financed by the issuance of revenue bonds the rental shall be in an amount at least sufficient to pay the interest on and principal of the amount of such bonds representing the cost of such building or structure to the extent such interest and principal is payable during the term of the lease, as well as to pay the cost of maintenance, repair and insurance for such building and a reasonable portion of the commission's administrative expense incurred during the term of the lease which is allocable to such building or structure.

(d) No tenant, lessee, licensee, owner of real estate located within a port or project, or other person or entity has any right, claim, title, or interest in any real estate, personal property, or common property owned by the commission, a port, a project, or the state, unless a written agreement entered into by the commission expressly provides:

(1) the exact nature and extent of the right, claim, title, or interest;

(2) all the conditions under which the right, claim, title, or interest is granted; and

(3) a legal or complete description of the specific property.

SECTION 41. IC 8-10-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. The commission is hereby authorized and empowered to acquire by appropriation, under the provisions of the eminent domain law of the state, any land, including lands under water and riparian rights, property, rights, rights-of-way, franchises, easements, or other property necessary or proper for the construction or the efficient operation of any port or ~~port~~ project. The commission shall also be empowered to exercise such powers of eminent domain as may be conferred upon the commission by an act of Congress of the United States now in force, or which may



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hereafter be enacted. Title to the property condemned shall be taken in the name of the state of Indiana. Nothing herein shall authorize the commission to take or disturb property or facilities constituting all or part of any presently existing or operating public port and nothing herein shall authorize the commission to take or disturb property or facilities belonging to any public utility or to a common carrier engaged in interstate commerce, which property or facilities are required for the proper and convenient operation of such public utility or common carrier, unless provision is made for the restoration, relocation or duplication of such property or facilities elsewhere at the sole cost of the commission excepting however, cases in which such equipment or facilities are located within the limits of existing highways or public thoroughfares.

SECTION 42. IC 8-10-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) A special and distinct revolving fund is hereby created, to be known as the Indiana port fund. Expenditures from said fund shall be made only for the acquisition of land including lands under water and riparian rights, or options for the purchase of such land for a port **or project** site, and incidental expenses incurred in connection with such acquisition, and for studies in connection with the port **or project**, and including administrative expenses of the commission. Said fund shall be held in the name of the Indiana port commission, shall be administered by the commission, and all expenditures therefrom shall be made by the commission, subject, however, to the approval by governor and the state budget committee of all expenditures of moneys advanced to said fund by the state of Indiana. Requests for such approval shall be made in such form as shall be prescribed by the budget committee, but expenditures for acquisition of land including lands under water and riparian rights, or options for the purchase of such land, shall be specifically requested and approved as to the land to be acquired and the amount to be expended. No transfers from said fund to any other fund of the state shall be made except pursuant to legislative action. All unexpended funds appropriated to the Indiana board of public harbors and terminals by Acts 1957, c.286, s.6, are hereby transferred to and made a part of the Indiana port fund created by this section, and shall be expended for the purpose and in the manner provided by this chapter, subject only to the restrictions contained in this chapter and no others; provided, however, that not to exceed one hundred thousand dollars (\$100,000) shall be expended for any purpose other than the acquisition of land, including lands under water and riparian rights, or options for the purchase of such land for a port **or project** site, and



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1 incidental expenses incurred in connection with such acquisition.

2 (b) Upon the sale of ~~port~~ revenue bonds for any port ~~or~~ project, the
3 funds expended from the Indiana port fund in connection with the
4 development of such ~~port or~~ project and any obligation or expense
5 incurred by the commission for surveys, preparation of plans and
6 specifications, and other engineering or other services in connection
7 with development of such ~~port or~~ project shall be reimbursed to the
8 state general fund from the proceeds of such bonds.

9 SECTION 43. IC 8-10-1-13 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) The commission
11 is hereby authorized to provide by resolution, at one **(1)** time or from
12 time to time, for the issuance of ~~port~~ revenue bonds of the state for the
13 purpose of paying all or any part of the cost of a port ~~or~~ project. The
14 principal of and the interest on such bonds shall be payable solely from
15 the revenues specifically pledged to the payment thereof. The bonds of
16 each issue shall be dated, shall bear interest at any rate, shall mature at
17 such time or times not exceeding fifty (50) years from the date thereof,
18 as may be determined by the commission, and may be made
19 redeemable before maturity, at the option of the commission, at such
20 price or prices and under such terms and conditions as may be fixed by
21 the commission in the authorizing resolution.

22 (b) The commission shall determine the form of the bonds,
23 including any interest coupons to be attached thereto, and shall fix the
24 denomination or denominations of the bonds and the place or places of
25 payment of principal and interest which may be at any bank or trust
26 company within or without the state.

27 (c) The bonds shall be signed in the name of the commission, by its
28 chairman or vice chairman or by the facsimile signature of such
29 chairman or vice chairman, and the official seal of the commission, or
30 facsimile thereof, shall be affixed thereto and attested by the
31 secretary-treasurer of the commission, and any coupons attached
32 thereto shall bear the facsimile signature of the chairman of the
33 commission. In case any officer whose signature or a facsimile of
34 whose signature shall appear on any bonds or coupons shall cease to be
35 such officer before the delivery of such bonds, such signature or such
36 facsimile shall nevertheless be valid and sufficient for all purposes the
37 same as if he had remained in office until such delivery.

38 (d) All bonds issued under this chapter shall have and are hereby
39 declared to have all the qualities and incidents of negotiable
40 instruments under the negotiable instruments law of the state of
41 Indiana.

42 (e) The bonds may be issued in coupon or in registered form, or

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both, as the commission may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(f) The bonds shall be sold at public sale in accordance with IC 4-1-5, **except as provided in IC 8-10-4.**

(g) **No action to contest the validity of any bonds issued by the commission under this chapter shall be commenced more than thirty (30) days following the adoption of the resolution approving the bonds as provided in this chapter.**

SECTION 44. IC 8-10-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the port **or** project for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the commission may provide in the resolution authorizing the issuance of such bonds or in the trust agreement mentioned in this chapter securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same issue and shall be entitled to payment from that same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue shall exceed the cost of the port **or** project for which the same shall have been issued, the surplus shall be deposited to the credit of the sinking fund for such bonds. Prior to the preparation of definitive bonds, the commission may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The commission may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost. **Bonds and any other instruments or the security for the bonds and other instruments that are authorized by this chapter** may be issued under the provisions of this chapter without obtaining the consent of any officer, department, division, commission, board, bureau, or agency of the state, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, or things which are specifically required by this chapter.

SECTION 45. IC 8-10-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission is

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1 hereby authorized to provide by resolution for the issuance of ~~port~~
 2 ~~revenue~~ refunding bonds of the state payable solely from revenues for
 3 the purpose of refunding any bonds then outstanding which shall have
 4 been issued under the provisions of **section 13** of this chapter,
 5 including the payment of any redemption premium thereon and any
 6 interest accrued or to accrue to the date of redemption of such bonds,
 7 and, if deemed advisable by the commission, for the additional purpose
 8 of constructing improvements, extensions, or enlargements of the port
 9 **or** project in connection with which the bonds to be refunded shall
 10 have been issued. The issuance of such bonds, the maturities and other
 11 details thereof, the rights of the holders thereof and the rights, duties,
 12 and obligations of the commission in respect of the same, shall be
 13 governed by the provisions of this chapter insofar as the same may be
 14 applicable.

15 SECTION 46. IC 8-10-1-16 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. In the discretion of
 17 the commission any bonds issued under the provisions of this act may
 18 be secured by a trust agreement by and between the commission and a
 19 corporate trustee, which may be any trust company or bank having the
 20 powers of a trust company within the state. Any resolution adopted by
 21 the commission providing for the issuance of **revenue** bonds and any
 22 trust agreement pursuant to which such bonds are issued may pledge
 23 or assign all or any portion of the revenues received or to be received
 24 by the commission except such part as may be necessary to pay the cost
 25 of the commission's administrative expenses, operation, maintenance,
 26 and repair and to provide reserves therefor and depreciation reserves
 27 required by any bond resolution adopted or trust agreement executed
 28 by the commission, but the commission shall not convey or mortgage
 29 any port ~~port or~~ project or any part thereof. In authorizing the issuance
 30 of bonds for any particular port **or** project, ~~undertaken in connection~~
 31 ~~with the development of the port~~, the commission may limit the amount
 32 of such bonds that may be issued as a first lien and charge against the
 33 revenues pledged to the payment of such bonds or the commission may
 34 authorize the issuance from time to time thereafter of additional bonds
 35 secured by the same lien to provide funds for the completion of the port
 36 **or** project on account of which the original bonds were issued, or to
 37 provide funds to pay the cost of additional ~~port~~ projects undertaken in
 38 connection with the development of the port **or project**, or for both
 39 such purposes. Such additional bonds shall be issued on such terms and
 40 conditions as may be provided in the bond resolution or resolutions
 41 adopted by the commission and in the trust agreement or any
 42 agreement supplemental thereto and may be secured equally and

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1 ratably without preference, priority or distinction with the original issue
 2 of bonds or may be made junior thereto. Any pledge or assignment
 3 made by the commission pursuant hereto shall be valid and binding
 4 from the time that the pledge or assignment is made and the revenues
 5 so pledged and thereafter received by the commission shall
 6 immediately be subject to the lien of such pledge or assignment without
 7 physical delivery thereof or further act. The lien of such pledge or
 8 assignment shall be valid and binding against all parties having claims
 9 of any kind in tort, contract or otherwise against the commission
 10 irrespective of whether such parties have notice thereof. Neither the
 11 resolution nor any trust agreement by which a pledge is created or
 12 assignment made need be filed or recorded except in the records of the
 13 commission. Any such trust agreement or any resolution providing for
 14 the issuance of such bonds may contain such provisions for protecting
 15 and enforcing the rights and remedies of the bondholders as may be
 16 reasonable and proper and not in violation of law, including, but not
 17 limited to, covenants setting forth the duties of the commission in
 18 relation to the acquisition of property and the construction,
 19 improvement, maintenance, repair, operation, and insurance of the port
 20 **or** project in connection with which such bonds shall have been
 21 authorized, the rates of fees, tolls, rentals, or other charges, to be
 22 collected for the use of the project, and the custody, safeguarding, and
 23 application of all moneys, and provisions for the employment of
 24 consulting engineers in connection with the construction or operation
 25 of such project. It shall be lawful for any bank or trust company
 26 incorporated under the laws of the state which may act as depository of
 27 the proceeds of bonds or other funds of the commission, to furnish such
 28 indemnifying bonds or to pledge such securities as may be required by
 29 the commission. Any such trust agreement may set forth the rights and
 30 remedies of the bondholders and of the trustee, and may restrict the
 31 individual right of action by bondholders as is customary in trust
 32 agreements or trust indentures securing bonds or debentures of private
 33 corporations. In addition to the foregoing, any such trust agreement
 34 may contain such other provisions as the commission may deem
 35 reasonable and proper for the security of the bondholders. All expenses
 36 incurred in carrying out the provisions of any such trust agreement may
 37 be treated as a part of the cost of the operation of the port **or** project.

38 SECTION 47. IC 8-10-1-17 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. The commission
 40 shall be authorized to fix, review, charge, and collect fees, tolls, rentals,
 41 and other charges for the use of the ~~port, port project, ports, projects,~~
 42 terminal facilities, and lands under the jurisdiction or control of the



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1 commission or services rendered by the commission, and the aggregate
 2 thereof shall provide revenues at least sufficient to pay the cost of
 3 operation, maintenance and repair of the port **or project** and terminal
 4 facilities, including the administration expenses of the commission, and
 5 in case revenue bonds are issued, sufficient to pay the interest on and
 6 principal of the bonds in accordance with their terms, and also
 7 sufficient to establish and maintain reserves created for all such
 8 purposes and for depreciation purposes. The fixing and collection of
 9 such fees, tolls, rentals and other charges and the expenditure of the
 10 revenues derived therefrom shall not be subject to the supervision or
 11 regulation by any other officer, commission, board, bureau, or agency
 12 of the state. After such bonds have been fully paid and discharged and
 13 all obligations under any trust agreement securing the same have been
 14 performed or satisfied, any remaining surplus net revenues and all
 15 surplus net revenues thereafter derived from the operation of ~~such the~~
 16 port **or project** shall be paid into the state general fund.

17 SECTION 48. IC 8-10-1-19 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. Any holder of
 19 bonds issued under the provisions of this chapter or any of the coupons
 20 appertaining thereto, and the trustee under any trust agreement, except
 21 to the extent the rights given in this chapter may be restricted by the
 22 authorizing resolution or trust agreement, may, either at law or in
 23 equity, by suit, action, mandamus, or other proceedings, protect and
 24 enforce any and all rights under the statutes of the state or granted
 25 under this chapter or under such trust agreement, or the resolution
 26 authorizing the issuance of such bonds, and may enforce and compel
 27 the performance of all duties required by this chapter or by such trust
 28 agreement or resolution to be performed by the commission or by any
 29 officer thereof, including the fixing, charging, and collecting of fees,
 30 tolls, rentals, or other charges for the use of the port or ~~port~~ project.

31 SECTION 49. IC 8-10-1-20 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 20. Each port or ~~port~~
 33 project, as defined in section 2 of this chapter, when constructed and
 34 ~~opened to traffic~~ **placed in operation** shall be maintained and kept in
 35 good condition and repair by the commission. Each such project shall
 36 also be policed and operated by such force of police, tolltakers, and
 37 other operating employees as the commission may in its discretion
 38 employ. All public or private property damaged or destroyed in
 39 carrying out the powers granted by this chapter shall be restored or
 40 repaired and placed in its original condition as nearly as practicable or
 41 adequate compensation made therefor out of funds provided under the
 42 authority of this chapter.



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SECTION 50. IC 8-10-1-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. All counties, cities, towns, townships and other political subdivisions and all public agencies and commissions of the state, notwithstanding any contrary provision of law, are hereby authorized and empowered to lease, lend, grant or convey to the commission at its request upon such terms and conditions as the proper authorities of such counties, cities, towns, townships, other political subdivisions or public agencies, and commissions of the state may deem reasonable and fair and without the necessity for an advertisement, order of court or other action or formality, other than the regular and formal action of the authorities concerned, any real **or personal** property owned by any such municipality or governmental subdivision which may be necessary or convenient to the effectuation of the authorized purposes of the commission.

SECTION 51. IC 8-10-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. **(a)** The commission shall cause an audit of its books and accounts to be made at least once each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or of operations of the ~~project:~~ **commission's ports and projects.** The accounts, books, and records of the Indiana port commission shall be audited annually by the state board of accounts, and the cost of such audit may be treated as a part of the cost of construction or of operations of the ~~port project:~~ **commission's ports and projects.**

(b) The commission shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor. Each member of the general assembly shall receive a copy of the report by making a request for it to the chairman of the commission. Each report shall set forth a complete operating and financial statement for the commission during the fiscal year it covers.

SECTION 52. IC 8-10-1-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 25. Revenue bonds issued by the commission under the provisions of this chapter shall constitute legal investments for any private trust funds, and the funds of any banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loan and trust, and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, and industrial loan and investment companies, and any other financial institutions organized



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1 under Indiana statutes. **The bonds are also made securities that may**
 2 **be deposited with and received by all public officers and bodies of**
 3 **this state or any agency or political subdivision of this state and all**
 4 **municipalities and public commissions for any purpose for which**
 5 **the deposit of bonds or other obligations of this state is now or may**
 6 **be later authorized by law.**

7 SECTION 53. IC 8-10-1-27 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The exercise of
 9 the powers granted by this chapter will be in all respects for the benefit
 10 of the people of the state, for the increase of their commerce and
 11 prosperity, and for the improvement of their health and living
 12 conditions.

13 (b) As the operation and maintenance of a port **or** project by the
 14 commission will constitute the performance of essential governmental
 15 functions, the commission shall not be required to pay any taxes or
 16 assessments upon any port **or** project or any property acquired or used
 17 by the commission under the provisions of this chapter or upon the
 18 income therefrom. The bonds issued by the commission, the interest
 19 thereon, the proceeds received by a holder from the sale of such bonds
 20 to the extent of the holder's cost of acquisition, or proceeds received
 21 upon redemption prior to maturity or proceeds received at maturity, and
 22 the receipt of such interest and proceeds shall be exempt from taxation
 23 in the state of Indiana for all purposes except the financial institutions
 24 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
 25 IC 6-4.1.

26 (c) Notwithstanding any other statute, a lessee's leasehold estate in
 27 land that is part of a port and that is owned by the state or the
 28 commission is exempt from property taxation. **However, an exemption**
 29 **under this subsection is not available for land not located at a port.**

30 SECTION 54. IC 8-10-1-30 IS ADDED TO THE INDIANA CODE
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2003]: Sec. 30. **The state hereby pledges and agrees with the**
 33 **holders of any bonds issued under this chapter that the state will**
 34 **not limit or alter the rights vested in the commission to fulfill the**
 35 **terms of any agreements made with the holders or in any way**
 36 **impair the rights or remedies of the holders until the bonds,**
 37 **together with the interest, with interest on any unpaid installments**
 38 **of interest, and all costs and expenses in connection with any action**
 39 **or proceeding by or on behalf of the holders, are fully met and**
 40 **discharged. The commission is authorized to include this pledge**
 41 **and agreement of the state in any agreement with the holders of the**
 42 **bonds.**



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SECTION 55. IC 8-10-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) In addition to the powers conferred upon the Indiana port commission by other provisions of this article, the commission, whenever it finds that the economic welfare of the state would thereby be benefited, by additional employment opportunities, or by additional diversification of industry within the state, or by increased income or prosperity to the state and its residents, or for any other reason, shall have the power to acquire, construct, maintain, repair, police, and lease to others such facilities for manufacturing, storage, or processing of goods, or for the carrying on of commercial, business, or recreational activities as the commission further finds will increase the ~~water-borne~~ traffic into or out of the ~~port~~ **project**. Any such facilities and the site thereof shall not be exempt from property taxation, and the lessee in any lease thereof shall agree to pay all property taxes levied on such facilities and the site thereof.

(b) In exercising the powers granted in this section, the commission shall have all the powers granted to it by this article, in connection with a ~~port~~ project, and the term "~~port~~" "project", as used in IC 8-10-1, shall be deemed to include facilities, adjuncts, and appurtenances of the character referred to in this section.

(c) It is further declared that the acquisition, construction, maintenance, repair, policing of, and leasing to others of such facilities under the conditions set forth in this section is a public purpose.

(d) Nothing in this section shall authorize the Indiana port commission to take, condemn, or disturb any property right or interest in property, existing on March 10, 1967, including permits and authorities to fill and reclaim submerged lands, or any facilities constituting all or part of any operating property or any private or public port. The Indiana port commission shall make reimbursement for any actual damage to any public or private facilities, including but not limited to breakwaters, water intakes, wharves, piers, boat docks, warehouses, and pipeline equipment resulting from the exercise by it of any powers granted to it by this section.

SECTION 56. IC 8-10-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) As used in this chapter, "self-liquidating ~~port~~ project" shall mean a ~~port~~ project for which a lease or leases have been executed providing for payment of rental in an amount at least sufficient to pay the interest and principal of such bonds to be issued to finance the cost of such ~~port~~ project and further providing for the payment by the lessee or lessees of all costs of maintenance, repair, and insurance of such ~~port~~ project.

(b) Other words and terms used in this chapter shall have the same



1 meaning as in other provisions of this article, unless otherwise
2 specifically provided.

3 SECTION 57. IC 8-10-4-2 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. In addition to the
5 powers conferred upon the Indiana port commission by other
6 provisions of this article, the commission, in connection with any
7 self-liquidating port project, shall have the following powers
8 notwithstanding any other provision of this article to the contrary:

9 (a) The revenue bonds issued by the commission to finance the
10 cost of such self-liquidating port project may be issued without
11 regard to any maximum interest rate limitation in this article or
12 any other law.

13 (b) The revenue bonds issued by the commission to finance the
14 cost of such self-liquidating port project may be sold in such
15 manner, either at public or private sale, as the commission may
16 determine, and the provisions of IC 4-1-5 shall not be applicable
17 to such sale.

18 SECTION 58. IC 8-10-4-3 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. Any lease of a port
20 project may provide that the lessee, as its reasonable portion of the
21 commission's administrative expense incurred during the term of the
22 lease which the lessee is required to pay by IC 8-10-1-10, shall pay to
23 the commission for the use of the harbor, the public docking facilities
24 and public wharves and piers, all harbor, dockage, and wharfage
25 charges established by the commission.

26 SECTION 59. IC 8-10-4-4 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The cost of any port
28 project may include, instead of the cost of the acquisition of the land
29 constituting the site of such port project, the value of such land as
30 determined by the commission. The proceeds of any revenue bonds
31 representing the value of such land shall be deposited in the Indiana
32 port fund.

33 SECTION 60. IC 8-10-4-5 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. The commission may
35 contract for the use of any license, process or device, whether patented
36 or not, which the commission finds is necessary for the operation of
37 any port project, and may permit the use thereof by any lessee on such
38 terms and conditions as the commission may determine. The cost of
39 such license, process or device may be included as part of the cost of
40 the port project.

41 SECTION 61. IC 36-7-32-23, AS ADDED BY P.L.192-2002(ss),
42 SECTION 187, IS AMENDED TO READ AS FOLLOWS



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[EFFECTIVE JULY 1, 2003]: Sec. 23. (a) Each redevelopment commission that establishes a certified technology park under this chapter shall establish a certified technology park fund to receive:

- (1) property tax proceeds allocated under section 17 of this chapter; and
- (2) money distributed to the redevelopment commission under section 22 of this chapter.

(b) Money deposited in the certified technology park fund may be used by the redevelopment commission only for one (1) or more of the following purposes:

- (1) Acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of public facilities.
- (2) Operation of public facilities described in ~~sections~~ **section 9(2) and 9(3)** of this chapter.
- (3) Payment of the principal of and interest on any obligations that are payable solely or in part from money deposited in the fund and that are incurred by the redevelopment commission for the purpose of financing or refinancing the development of public facilities in the certified technology park.
- (4) Establishment, augmentation, or restoration of the debt service reserve for obligations described in subdivision (3).
- (5) Payment of the principal of and interest on bonds issued by the unit to pay for public facilities in or serving the certified technology park.
- (6) Payment of premiums on the redemption before maturity of bonds described in subdivision (3).
- (7) Payment of amounts due under leases payable from money deposited in the fund.
- (8) Reimbursement to the unit for expenditures made by it for public facilities in or serving the certified technology park.
- (9) Payment of expenses incurred by the redevelopment commission for public facilities that are in the certified technology park or serving the certified technology park.

(c) The certified technology park fund may not be used for operating expenses of the redevelopment commission.

SECTION 62. [EFFECTIVE JULY 1, 2003] (a) The department of state revenue may adopt rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to carry out its responsibilities under IC 4-4-31, as added by this act. A rule adopted under this SECTION expires on the latest of the following:

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(1) The date specified by the department of state revenue in a rule.

(2) The date the department of state revenue adopts a temporary or permanent rule to replace another rule adopted under this SECTION.

(3) July 1, 2005.

(b) This SECTION expires July 2, 2005.

SECTION 63. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] (a) The following statutes, all as amended by this act, apply to taxable years beginning after December 31, 2003:

(1) IC 6-3.1-24-5.

(2) IC 6-3.1-24-6.

(3) IC 6-3.1-24-7.

(4) IC 6-3.1-24-9.

(5) IC 6-3.1-24-12.

(6) IC 6-3.1-24-13.

(b) IC 6-3.1-24-12.5, as added by this act, applies to taxable years beginning after December 31, 2003.

SECTION 64. [EFFECTIVE JANUARY 1, 2004] IC 6-6-6.5-9, as amended by this act, applies to aircraft excise taxes and registration fees imposed under IC 6-6-6.5 after December 31, 2003.

SECTION 65. [EFFECTIVE JULY 1, 2003] (a) For purposes of this SECTION, "boards" refers to the board of trustees of the Indiana state teachers' retirement fund and the board of trustees of the public employees' retirement fund.

(b) In order to seek and enhance investment opportunities under IC 5-10.2-2-2.5, IC 5-10.3-5-3, and IC 21-6.1-3-9, the boards shall seek funding from:

(1) a private foundation;

(2) the federal government;

(3) an institution of higher education; or

(4) any other entity;

to develop a fellowship program to work with the boards to enhance venture capital investment opportunities in Indiana technology and advanced manufacturing companies.

(c) The investment opportunities must be designed to enhance investment in companies in Indiana and must be designed to:

(1) enhance the venture capital community;

(2) train future venture capitalists; and

(3) support the development of high potential, startup, and early stage companies in the areas of technology and

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advanced manufacturing.

(d) The fellowship program must be designed to last for two (2) years.

(e) An applicant for the fellowship must:

(1) be a resident of Indiana;

(2) hold a graduate degree, preferably with a business or technical major; and

(3) have at least three (3) years of practical experience.

(f) The department of commerce shall assist the boards in developing and administering the grant. The boards shall create a committee, including:

(1) one (1) individual appointed by the board of trustees of the public employees' retirement fund;

(2) one (1) individual appointed by the teachers' retirement fund; and

(3) three (3) individuals appointed by the department of commerce.

(g) The committee established in subsection (f) shall:

(1) review the grant application before it is submitted;

(2) review applicants for the fellowship program;

(3) set the stipend for participants in the program; and

(4) determine where the fellows will be placed in order to best obtain the type of information the board will need to make investment decisions that further the purposes of this SECTION.

(h) This SECTION expires July 1, 2007.

SECTION 66. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] IC 6-1.1-12.2, as added by this act, applies only to assessment dates after January 1, 2003, and ad valorem property taxes due and payable after January 1, 2004.

SECTION 67. [EFFECTIVE JANUARY 1, 2004] IC 6-1.1-44, as added by this act, applies to property taxes first due and payable after December 31, 2004.

SECTION 68. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-25.2, as added by this act, applies to taxable years beginning after December 31, 2003.

SECTION 69. [EFFECTIVE JANUARY 1, 2004] (a) IC 6-3.1-28, as added by this act, applies to taxable years beginning after December 31, 2003.

(b) Subject to carryovers authorized by IC 6-3.1-27-14, as added by this act, IC 6-3.1-27, as added by this act, applies to taxable years beginning after December 31, 2003, and ending before

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1 **January 1, 2006.**

2 **SECTION 70. [EFFECTIVE UPON PASSAGE] (a) As used in this**
 3 **SECTION, "commission" means the government efficiency**
 4 **commission established by subsection (b).**

5 **(b) The government efficiency commission is established to**
 6 **develop specific recommendations on the best practices to**
 7 **streamline, improve, and consolidate procedures of state**
 8 **government for dealings:**

- 9 **(1) among departments;**
 10 **(2) with individuals;**
 11 **(3) with businesses; and**
 12 **(4) with other levels of government.**

13 **(c) The commission shall investigate ways to achieve**
 14 **government efficiency and lower costs for taxpayers using**
 15 **technology and current best practices that are cost justified. The**
 16 **recommendations of the commission should be designed to achieve**
 17 **the following:**

- 18 **(1) Reduce duplication and overlap of governmental**
 19 **departments.**
 20 **(2) Provide one stop shopping for consumers of governmental**
 21 **services.**
 22 **(3) Provide procedures that are user friendly for citizens and**
 23 **businesses.**
 24 **(4) Increase the efficiency of state government operations.**

25 **(d) The commission shall be composed of the following eleven**
 26 **(11) members:**

- 27 **(1) A representative of the state board of accounts.**
 28 **(2) A designee of the lieutenant governor.**
 29 **(3) A designee of the secretary of state.**
 30 **(4) Four (4) persons appointed by the speaker of the house of**
 31 **representatives, not more than two (2) of whom may be of the**
 32 **same political party.**
 33 **(5) Four (4) persons appointed by the president pro tempore**
 34 **of the senate, not more than two (2) of whom may be of the**
 35 **same political party.**

36 **(e) The commission shall present a report including specific**
 37 **recommendations to the legislative council not later than December**
 38 **1, 2003.**

39 **(f) The chairperson shall be appointed by the chairman of the**
 40 **legislative council.**

41 **(g) Each member of the commission who is not a state employee**
 42 **is entitled to the minimum salary per diem provided by**



1 IC 4-10-11-2.1(b). Each member is also entitled to reimbursement
 2 for traveling expenses as provided under IC 4-13-1-4 and other
 3 expenses actually incurred in connection with the member's duties
 4 as provided in the state policies and procedures established by the
 5 Indiana department of administration and approved by the budget
 6 agency.

7 (h) Each member of the commission who is a state employee but
 8 is not a member of the general assembly is entitled to
 9 reimbursement for traveling expenses as provided under
 10 IC 4-13-1-4 and other expenses actually incurred in connection
 11 with the member's duties as provided in the state policies and
 12 procedures established by the Indiana department of
 13 administration and approved by the budget agency.

14 (i) Each member of the commission who is a member of the
 15 general assembly is entitled to receive the same per diem, mileage,
 16 and travel allowances paid to the legislative members of interim
 17 study committees established by the legislative council.

18 (j) The following individuals shall provide staff for the
 19 commission:

20 (1) The chief information officer of the state.

21 (2) A deputy budget director designated by the budget
 22 director.

23 (3) A deputy commissioner of the Indiana department of
 24 administration designated by the commissioner of the
 25 department.

26 (4) A deputy director of the state personnel department
 27 designated by the director of the department.

28 (k) Per diem, mileage, and travel allowances for the commission
 29 shall be paid from appropriations made to the budget agency.

30 (l) The affirmative votes of a majority of the members appointed
 31 to the commission are required for the commission to take action
 32 on any measure, including final reports.

33 (m) This SECTION expires January 1, 2004.

34 SECTION 71. [EFFECTIVE JULY 1, 2003] (a) The following
 35 definitions apply throughout this SECTION:

36 (1) "Biennium" means the period beginning July 1, 2003, and
 37 ending June 30, 2005.

38 (2) "FY 2003-2004" means the period beginning July 1, 2003,
 39 and ending June 30, 2004.

40 (3) "FY 2004-2005" means the period beginning July 1, 2004,
 41 and ending June 30, 2005.

42 (b) There is appropriated to the budget agency the following

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1 sums from the build Indiana fund for the purposes of the 21st
2 century research and technology fund in the following periods:

3 (1) For FY 2003-2004, five million dollars (\$5,000,000).

4 (2) For FY 2004-2005, twenty million dollars (\$20,000,000).

5 (c) There is appropriated to the budget agency the following
6 sums from the build Indiana fund for the purpose of improving
7 high speed data access and communications capability statewide by
8 linking fiber optic infrastructure to eleven (11) areas around the
9 state (I-Light Fiber Optic System) in the following periods:

10 (1) For FY 2003-2004, ten million dollars (\$10,000,000).

11 (2) For FY 2004-2005, five million dollars (\$5,000,000).

12 (d) There is appropriated to the budget agency the following
13 sums from the build Indiana fund for the purposes of the emerging
14 technology grant fund in the following periods:

15 (1) For FY 2003-2004, five million dollars (\$5,000,000).

16 (2) For FY 2004-2005, five million dollars (\$5,000,000).

17 (e) There is appropriated to the budget agency the following
18 sums from the build Indiana fund for the purposes of the Indiana
19 economic development partnership fund in the following periods:

20 (1) For FY 2003-2004, five million dollars (\$5,000,000).

21 (2) For FY 2004-2005, five million dollars (\$5,000,000).

22 (f) There is appropriated to the commissioner of agriculture the
23 following sums from the build Indiana fund for the purposes of the
24 value added research fund in the following periods:

25 (1) For FY 2003-2004, five hundred thousand dollars
26 (\$500,000).

27 (2) For FY 2004-2005, five hundred thousand dollars
28 (\$500,000).

29 (g) There is appropriated to the Indiana rural development
30 council the following sums from the build Indiana fund for the
31 purposes described in IC 4-4-9.5-2, IC 4-4-9.5-3, and IC 4-4-9.5-4
32 in the following periods:

33 (1) For FY 2003-2004, one million dollars (\$1,000,000).

34 (2) For FY 2004-2005, one million dollars (\$1,000,000).

35 (h) There is appropriated to the budget agency one hundred
36 thousand dollars (\$100,000) from the build Indiana fund for the
37 operation and purposes of the government efficiency commission
38 established by this act in FY 2003-2004.

39 (i) There is appropriated to the budget agency the following
40 sums from the build Indiana fund for use by the governing bodies
41 of the public employees' retirement fund and the teachers'
42 retirement fund for consulting services to supplement or provide



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1 matching funds for a grant from a private foundation for funding
 2 to develop a fellowship program to increase venture capital
 3 investment opportunities in Indiana technology and advanced
 4 manufacturing companies in the following periods:

5 (1) For FY 2003-2004, two hundred thousand dollars
 6 (\$200,000).

7 (2) For FY 2004-2005, two hundred thousand dollars
 8 (\$200,000).

9 (j) There is appropriated to the department of commerce one
 10 million dollars (\$1,000,000) from the build Indiana fund for its use
 11 in publicizing the corporate tax restructuring in Indiana to
 12 businesses and industries in other states in the biennium.

13 (k) There is appropriated to the department of commerce the
 14 following sums from the build Indiana fund for the purposes
 15 described in IC 4-4-32 in the following periods:

16 (1) For FY 2003-2004, fifty thousand dollars (\$50,000).

17 (2) For FY 2004-2005, fifty thousand dollars (\$50,000).

18 (l) As used in this subsection, "county economic development
 19 office" means an entity established by a county, either individually
 20 or jointly with one (1) or more cities or towns located in the county,
 21 whose primary purpose is:

22 (1) the promotion of industrial or business development in
 23 Indiana;

24 (2) the retention or expansion of Indiana businesses located in
 25 Indiana; or

26 (3) the development of entrepreneurial activities in Indiana.

27 The term does not include an economic development commission
 28 established under IC 36-7-12, a redevelopment commission
 29 established under IC 36-7, a regional planning commission, or an
 30 urban enterprise association. There is appropriated to the
 31 department of commerce two million three hundred thousand
 32 dollars (\$2,300,000) from the build Indiana fund to provide grants
 33 to each county that qualifies for a grant under this subsection in
 34 FY 2003-2004. Upon the written request by the county fiscal body
 35 of a county that has established a county economic development
 36 office, the department of commerce shall distribute a grant to the
 37 county of twenty-five thousand dollars (\$25,000) for use by the
 38 county's economic development office.

39 (m) There is appropriated to the governor two hundred fifty
 40 thousand dollars (\$250,000) from the build Indiana fund for the
 41 governor's use to create and operate a nonprofit corporation to
 42 establish a public-private partnership to assist in guiding the



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1 economic development mission of the state for the biennium.

2 (n) All money appropriated from the build Indiana fund under
3 this SECTION is nonreverting and does not revert to the state
4 general fund or to the build Indiana fund but remains available for
5 the programs for which the money is appropriated in subsequent
6 state fiscal years.

7 (o) The budget agency may transfer an amount not to exceed ten
8 percent (10%) of the appropriations made in this SECTION among
9 the 21st century research and technology fund, the emerging
10 technology grant fund, and the economic development partnership
11 fund each year to maximize the use of the funds appropriated.

12 SECTION 72. [EFFECTIVE JANUARY 1, 2004] Not later than
13 April 1, 2004, the board of directors of the Indiana economic
14 development council shall amend its bylaws in accordance with
15 IC 4-3-14-4, as amended by this act.

16 SECTION 73. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 2008, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 2008 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 11.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 2008 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE January 1, 2004]: Sec. 4. (a) The articles of incorporation or bylaws of the corporation, as appropriate, must provide that:

(1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by:

(A) coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;

(B) overseeing the implementation of the state's economic development plan and monitoring the updates of that plan; and

(C) educating and assisting all parties involved in improving the long range vitality of the state's economy;

(2) the board ~~must include:~~

(A) ~~the governor;~~

(B) ~~the lieutenant governor;~~

(C) ~~the chief operating officer of the corporation;~~

(D) ~~the chief operating officer of the corporation for Indiana's international future; and~~

(E) ~~additional persons appointed by the governor, who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana; is composed of the~~

following twenty-one (21) members, none of whom may be members of the general assembly:

(A) Three (3) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor.

Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

(B) Three (3) persons appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (a)(3).

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(C) Two (2) persons appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(D) Two (2) persons appointed by the minority leader of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(E) Two (2) persons appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(F) Two (2) persons appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(G) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(H) One (1) person appointed by the president of Purdue University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(I) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(J) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(K) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(L) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the

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private or nonprofit sector or academia, but may not represent organized labor.

(M) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(3) The governor and lieutenant governor shall coordinate their appointments under subsection (a)(2)(A) and (a)(2)(B) so that those appointments include at least one (1) representative from each of the following industry sectors:

(A) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.

(B) Information technology, such as informatics, certified network administration, software development, or fiber optics.

(C) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.

(D) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.

(E) Public utilities (as defined in IC 8-1-2-1).

(4) The terms of office of the members of the corporation are as follows:

(A) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the senate serve for terms of four (4) years.

(B) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

(5) The governor may designate a member of the board appointed by the governor under subsection (a)(2)(A) of this section to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

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(6) Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

(7) Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

(8) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a)(9) and subsection(a)(10).

(3) the governor shall serve as chairman of the board of the corporation; and the lieutenant governor shall serve as the chief executive officer of the corporation;

(4) (9) the governor shall appoint as vice chairman of the board a member of the board engaged in private enterprise; the board shall elect an executive director of the corporation;

(5) (10) the lieutenant governor executive director of the corporation shall be responsible as chief executive officer for overseeing implementation of the state's economic development plan as articulated by the corporation board and shall oversee the activities of the corporation's chief operating officer corporation;

(6) the governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);

(7) (11) the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;

(8) (12) any amendments to the articles of incorporation or bylaws of the corporation must be approved by the governor; board;

(9) (13) the corporation shall submit an annual report to the governor, lieutenant governor and to the Indiana general assembly on or before the first day of November for each year;

(10) (14) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(11) (15) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of

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this audit.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

(c) Employees of the corporation are not employees of the state.

(d) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

~~(b)~~ (e) The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter. The corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law."

Page 50, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 28. IC 6-1.1-3-22, AS ADDED BY P.L.192-2002(ss), SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. (a) Except to the extent that it conflicts with a statute, 50 IAC 4.2 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001), **except that the rate of total valuation percentage to apply to a taxpayer in a taxing district under 50 IAC 4.2-4-9 is the following:**

(1) Twenty-five percent (25%) on an assessment date in 2004 for property taxes first due and payable in 2005.

(2) Twenty percent (20%) on an assessment date in 2005 for property taxes first due and payable in 2006 and on an assessment date each year thereafter through payable 2010.

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been

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terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

SECTION 29. IC 6-1.1-8-44, AS ADDED BY P.L.192-2002(ss), SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 44.(a) Except to the extent that it conflicts with a statute, 50 IAC 5.1 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 5.1 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as in effect January 1, 2001), **except that the rate of total valuation percentage to apply to a taxpayer in a taxing district under 50 IAC 5.1-6-9 is the following:**

(1) Twenty-five percent (25%) on an assessment date in 2004 for property taxes first due and payable in 2005.

(2) Twenty percent (20%) on an assessment date in 2005 for property taxes first due and payable in 2006 and on an assessment date each year thereafter through payable 2010.

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 5.2 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 5.1 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

SECTION 30. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss), SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for Indiana qualified research expense incurred after December 31, ~~2004~~—**2010**. Notwithstanding Section 41 of the Internal Revenue Code, the termination date in Section 41(h) of the Internal Revenue Code does not apply to a taxpayer who is eligible for the credit under this chapter for the taxable year in which the Indiana qualified research expense is incurred."

Page 52, between lines 20 and 21, begin a new paragraph and insert:
"SECTION 32. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 26. Indiana Growth Scholars Tax Credit

Sec. 1. As used in this chapter, "eligible taxpayer" means an

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individual who satisfies the following requirements:

- (1) The individual participated in the Indiana growth scholars program established under IC 20-12-20.3.
- (2) The individual received provisional tax credits under the program described in subdivision (1).
- (3) The individual graduated from a certified degree program (as defined in IC 20-12-20.3-1).
- (4) The individual is employed in Indiana.

Sec. 2. As used in this chapter, "state income tax liability" means an individual's adjusted gross income tax liability under IC 6-3.

Sec. 3. (a) Beginning with the eligible taxpayer's first taxable year that begins after the date that the eligible taxpayer graduated from a certified degree program, an eligible taxpayer is entitled to a refundable credit against the eligible taxpayer's state income tax liability. The amount of the tax credit is equal to the amount of the provisional credit awarded to the eligible taxpayer in the academic year that corresponds to the number of taxable years following the eligible taxpayer's graduation as follows:

Taxable year following graduation	Academic year in the program
1st	1st
2nd	2nd
3rd	3rd
4th	4th

(b) If the amount of the credit under this chapter exceeds the eligible taxpayer's state tax liability for the taxable year, the excess shall be refunded to the eligible taxpayer.

Sec. 4. To obtain the credit provided by this chapter, an eligible taxpayer must file with the department information proving the amount of the provisional tax credits awarded to the eligible taxpayer as a student participating in the Indiana growth scholars program and any other information required by the department."

Page 75, between lines 22 and 23, begin a new paragraph and insert:
 "SECTION 65. IC 20-12-20.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.3. Indiana Growth Scholars Program

Sec. 1. As used in this chapter, "certified degree program" has the meaning set forth in IC 22-4.1-7-1.

Sec. 2. As used in this chapter, "commission" refers to the student assistance commission established by IC 20-12-21-4.



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Sec. 3. As used in this chapter, "eligible employer" means an employer that provides employment to an eligible student in targeted employment (as defined in IC 22-4.1-7-6) through the internship component of a certified degree program under IC 22-4.1-7. The term includes the following:

- (1) A person (as defined in IC 6-3-1-14) acting as a sole proprietor.
- (2) A corporation (as defined in IC 6-3-1-10).
- (3) A partnership (as defined in IC 6-3-1-19).

Sec. 4. As used in this chapter, "eligible student" means a student (as defined in IC 22-4.1-7-5) who:

- (1) is enrolled full time as an undergraduate in a certified degree program through an institution of higher learning;
- (2) is an Indiana resident;
- (3) has achieved a Core 40 or an Academic Honors Diploma, or the equivalent of a Core 40 or an Academic Honors Diploma, as determined by the commission; and
- (4) has a cumulative high school grade point average of at least 3.0 on a 4.0 scale.

The commission may impose additional eligibility requirements, including requirements set forth in IC 20-12-21-6.

Sec. 5. As used in this chapter, "institution of higher learning" means:

- (1) a state educational institution (as defined in IC 20-12-0.5-1); or
- (2) a private institution of higher education (as defined in IC 20-12-63-3(10)).

Sec. 6. (a) The Indiana growth scholars program is established.
(b) The commission shall administer the program.

Sec. 7. The executive director of the commission may employ or contract for clerical and professional staff and administrative support necessary to implement this chapter.

Sec. 8. (a) The commission shall award a provisional tax credit to an eligible student who:

- (1) is enrolled in good standing in a certified degree program;
- (2) enters into an agreement with the commission under this chapter; and
- (3) complies with the requirements established under the rules of the commission.

(b) An eligible student may not claim a tax credit against the student's Indiana adjusted gross income tax under this chapter. However, proof of the provisional tax credit awarded under this

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chapter may be used to obtain a tax credit under IC 6-3.1-25 in a taxable year that begins after the eligible student graduates from a certified degree program and remains eligible for a tax credit under the requirements of IC 6-3.1-25.

Sec. 9. (a) The amount of a provisional tax credit awarded under section 8 of this chapter may be up to two thousand dollars (\$2,000) per academic year.

(b) The commission may not award total provisional tax credits in excess of twenty-eight million dollars (\$28,000,000) for any academic year. Furthermore, the commission must limit the award of provisional tax credits for the 2003-2004 academic year so that the total amount of tax credits claimed under this chapter for the 2005 taxable year does not exceed seven million five hundred thousand dollars (\$7,500,000).

(c) The commission may consider any of the following factors in determining the amount of the grant to award under section 8 of this chapter:

- (1)** Whether an eligible student is enrolled in a certified degree program for less than a full academic year.
- (2)** Whether a student receives additional aid from other state assistance programs.
- (3)** Any other factor set forth in the rules of the commission.

Sec. 10. An eligible student must enter into an agreement with the commission to be eligible for a provisional tax credit under this chapter. The agreement must include the following requirements:

- (1)** The eligible student must remain enrolled in good standing in a certified degree program during the academic year.
- (2)** The eligible student must remain and be employed in Indiana after the student graduates from the certified degree program for a period of years equal to the number of years for which the student received a provisional tax credit under this chapter.

The agreement may include any other provisions that the commission considers necessary to administer this chapter.

Sec. 11. The commission shall enter into agreements with institutions of higher learning to implement this chapter.

Sec. 12. The commission may adopt rules under IC 4-22-2 that are necessary or appropriate to implement this chapter. The rules that are adopted under this chapter may include rules establishing different standards or procedures for resident and nonresident students."

Page 82, between lines 38 and 39, begin a new paragraph and insert:



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"SECTION 69. [EFFECTIVE JULY 1, 2003] (a) As used in this SECTION, "commission" refers to the government efficiency commission established by subsection (c).

(b) As used in this SECTION, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) The government efficiency commission is established.

(d) The commission consists of the following members:

(1) One (1) co-chairperson appointed before July 16, 2003, by the president pro tempore of the senate.

(2) One (1) co-chairperson appointed before July 16, 2003, by the speaker of the house of representatives.

(3) Ten (10) members appointed before August 16, 2003, by the president pro tempore of the senate, five (5) of those members appointed with the advice and consent of the minority leader of the senate.

(4) Ten (10) members appointed before August 16, 2003, by the speaker of the house of representatives, five (5) of those members appointed with the advice and consent of the minority leader of the house of representatives.

(e) The following may not be members of the commission:

(1) An elected or appointed state or local official.

(2) An employee or a person receiving a pension or other retirement benefit related to service to any of the following:

(A) A state educational institution.

(B) A school corporation or a charter school.

(C) The state or any agency of the state.

(3) A person who has a direct business relationship with any of the following:

(A) A state educational institution.

(B) A public school corporation.

(C) The state or any agency of the state.

(D) An elected or appointed state agency official.

(E) The general assembly or any of its members.

(f) A member of the commission is not entitled to a salary per diem.

(g) A member of the commission is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the legislative council's travel policies and procedures.

(h) The commission shall meet upon the call of the co-chairpersons.

(i) The co-chairpersons may advise the president pro tempore

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of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives concerning the appointment of other members of the commission.

(j) A quorum of the commission must be present to conduct business. A quorum consists of a majority of the voting members appointed to the commission.

(k) The commission may not take an official action unless the official action has been approved by at least a majority of the voting members appointed to serve on the commission.

(l) The co-chairpersons shall establish and appoint commission members to four (4) subcommittees as follows:

- (1) The K-12 education subcommittee.
- (2) The higher education subcommittee.
- (3) The Medicaid and human services subcommittee.
- (4) The general government subcommittee.

(m) The co-chairpersons shall name the chairperson of each subcommittee.

(n) The commission shall do the following:

- (1) Review all state funded agencies, departments, and programs.
- (2) Make recommendations to improve efficiency and reduce waste or other unnecessary costs associated with any state funded agency, department, or program.

(o) The following persons shall serve as staff advisers to the commission:

- (1) The state budget director.
- (2) The commissioner of the commission for higher education.
- (3) The Indiana state board of education administrator.
- (4) The executive director of the legislative services agency.

(p) The commission shall provide its final recommendations before December 31, 2004, to the following:

- (1) The governor.
- (2) The general assembly.

(g) This SECTION expires January 1, 2005.

SECTION 70. [EFFECTIVE JANUARY 1, 2004]: No later than April 1, 2004, the board in SECTION 1 shall amend its bylaws in accordance with IC 4-3-14-4 as amended by this act."

Renumber all SECTIONS consecutively.

(Reference is to HB 2008 as printed February 26, 2003.)

BOSMA



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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred House Bill 2008, begs leave to report that said bill has been amended as directed.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 2008, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 2008 as reprinted March 5, 2003.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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